No.30,977

Friday October 20 1989

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Kuala Lumpur Small rise in summit split US prices over pressure welcomed by on Pretoria

Britain and its Commonwealth partners in Kuala Lumpur were split over an Australian plan for developing new finan-cial pressures on Pretoria. The announcement that South Africa had negotiated an agreement to reschedule \$8bn of its debt has dismayed the majority of member countries. Page 18

UK-Argentina ties Argentina and Britain took the first formal diplomatic steps to heal the scars caused by the 1982 Falklands conflict by agreeing to re-establish con-sular relations. Page 18

Arrests in Prague Police in Prague broke up an international meeting on human rights, arresting Czechoslovakia's former foreign minister, Jiri Hayek, and detaining Jeri Laber, a US rights activist. Page 2

Convictions quashed The three Irishmen and one Englishwoman, sentenced to life imprisonment in 1975 for the Guildford and Woolwich pub bombings had their convictions quashed by the Court of Appeal in London. Page 7

Soviets halt reactors Soviet authorities, reassessing nuclear safety policies, have halted construction of two . Chernobyl-type nuclear reac-tors and are reconsidering the future of 12 others, a senior nuclear expert said.

1

Hungarian reform Hungary formally legalised opposition political parties, voting overwhelmingly to end more than four decades of one: party rule. Page 2

Setback for Singh The Indian opposition leader V.P. Singh, suffered a further reverse when Hindu militants ब्रा क्र ट्या क्र a march be sees as damaging to opposition unity. Page 4

Australian claim Australia's Labor government claimed to have found a \$657m "hole" in the costings of the opposition coalition's week-old tax and spending platform for the next election. Page 4

Brazillan threat The impeachment of Brazil's best known crusader for clean local government may under-mine the election chances of her party leader. Page 6

Aid for Poland Italy will make a bilateral offer of \$400m of export credits to Poland when the premiers of the two countries meet in Rome over the next two days.

Warsaw Pact plan The Warsaw Pact presented proposals to the Conventional Forces in Europe (CFE) talks aimed at strengthening the exchange of information.

US withdrawal An accelerated withdrawal of American military depen-dents from Panama is being considered by the US Government. Page 6

Magazine victory Private Eye, the UK satirical magazine, won its appeal against the record \$948,000 libel damages awarded to Sonia Sutcliffe, the estranged wife of the murderer known as the Yorkshire Ripper. Page 7

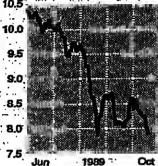
Business Summary

US consumer prices rose only 0.2 per cent in September, half the expected increase. The news was welcomed by the White House and in the markets. Page 18

White House

TIN prices continued to tumble on the London Metal Exchange

LME Cash metal (\$ '000 per tonne)



to the lowest level seen since the contract was relaunched by the LME. Page 34 BANKAMERICA, San Francisco banking group which almost failed in the mid-1980s,

reported strong earnings growth in the third quarter. Page 19 -RUPERT Murdoch, Australian publishing magnate, has co-launched a merchant bank, Marriott Moore, with banker

Rupert Hambro, Page 19 HAYS, UK business services group, said only 8 per cent of the shares sold in the \$262m new issue were taken up as British investors shanned the

BAT Industries, threatened tobacco-based industrial group, ordered its stockbrokers to start buying its shares after an extraordinary general meeting. Page 19

MOTT McDonald, Londonbased engineering group, has joined the hunt for skilled workers from among East Germans fleeing over the Hungarian border and on to West Ger-

CHEMICAL Bank of the US announced it had completed syndication of the senior debt hich is partly financing the buy-out of troubled hospital group American Medical International by IMA Acquisition.

UK CONSORTIUM including Midland Bank, the Hanson Group, Trafalgar House, BAA and the Carroll Group, will seek planning a \$16m heliport in London. Page 8.

AMSTRAD, UK consumer electronics group, confirmed details of a board reshuffle linked to its new corporate structure. Page 27

SWISS National Bank issued a warning about the enthusi-asm for Swiss bonds linked to Japanese equities. Page 24, Economy heating, Page 2 OLIVETTI, Italian manufacturer of computers and office equipment, launched a new

family of high performance machines. Page 20 AMR, parent of American Airlines and recent takeover target, reported disappointing third quarter earnings and projected weaker results in the fourth quarter. Page 22

METALLGESELLSCHAFT. West German metals congionerate, has taken a 25 per cent stake in Spainish stockbroking companies, Bravo y Garayalde. Page 20

MEXICAN president Carlos Salinas de Gortari said Mexico's economy was now expected to grow by 3 per cent in 1989. Page 6

ICI, world's largest paint manmacturer, gained its first foot-hold in the Soviet market, through a joint venture in Leningrad. Page 3

MARKETS

New York lunchtime: \$1.5975 London: \$1.5940 (1.5885) DM2 9525 (2.945 FFr10.0225 (10.00) SFr2.5875 (2.5825) Y226 25 (225 00) New York: Comex Dec \$370.7 London: \$368.75 (368.25) M SEA OIL (Argus) \$19.375 (-0.15)

Chief price changes vesterday: Page 19

DOLLAR STOCK INDICES New York tenchilms: DM1.8485 FT-SE 100: 2,189.3 (+19.2) FT Ordinary: 1,772.1 (+ 13.6) SFr1.6196 SFF1.6196 London: DM1.8520 (1.8535) FFr6.2875 (8.295) SF71.8235 (1.826) Y141.95 (141.85) FT-A All-Share 1,100.15 (+1.0%) New York lunch DJ Ind. Av. 2.676.61 (+S1.96) \$ Index 69.6 (69.7) S&P Comp Tokyo close: 141.56

HE LUNCHTIME Tokvo: Nikke RATES Fed Funds SH 35.374.22 (+266.66) LONDON MONEY 3-mo Transcry Bille: yield: 7.81% Glosing 15₁₂ (15) Long Bond: -Liffe long gift future: yield: 7.97% Dec 9212 (833)

MARKET REPORTS: CURRENCIES, Page 42; BONDS, Pages 24,25 COMMODITIES, Page 34; EQUITIES, Page 35 (London), 46 (World)

San Franciscans slip into post-quake trauma

INITIAL RELIEF among residents of the San Francisco Bay area has given way to a stumed comprehension of the long-term damage caused by Tues-day's earthquake.

Official estimates of insured damage rose yesterday to \$30n, excluding the cost of repairing roads, bridges and other uninsured structures. "It's the western version of Hurri-cane Hugo," said Mr Richard Ross Jr. the assistant state insurance commissioner, comparing the 30 second earthquake to the devastation wrought on South Carolina earlier

while residents of the San Francisco Bay area boast a breezy familiar-ity with earthquakes, they are clearly

in a state of shock.

The signs are everywhere: local newspapers offering psychological advice on how families and pets should deal with post-quake trauma; the constant barrage of advice on travel routes offered by numerous radio stations broadcasting round-the-clock earthquake news; and most striking of all – the now evacu-ated Marina district whose multi-milion dollar homes and swish up-market clothes shops were blow-torched by a gas explosion on Tuesday evening. As he toured the area with dozens of reporters and cameramen on Wednesday, Mayor Art Agnos of San Francisco said 60 buildings in the Marina area would have to be demol-

ished and the cost of the damage could be as high as \$2bn. Power cuts could last as long as 16 weeks, he

The other visible sign of damage is the crippled Bay Bridge, the backbone of the huge Bay area metropolis which, until the quake struck, carried more than 500,000 cars on a routine business day. It could take three weeks to repair the bridge, whose upper deck collapsed onto the lower - and that could be overly ambitious, says Caltrans, the state transportation authority.

Yesterday, commuters were struggling over the other bridges across the Bay, the San Matteo, the Dunbarton, and the Golden Gate which,

though built during the Great Depression, withstood Tuesday's quake. Despite advice to commuters to use Bart (Bay Area Rapid Transit), people seemed a little wary of using the Bart

tunnel underneath the Bay,
In Oakland, the focus is on the Nimitz freeway, where more than 200 people were killed when the upper deck folded like a pancake and crushed dozens of cars on the lower deck. Hope of survivors faded yesterday, and officials are trying to work out how to compensate for the loss of this main road artery which could take months to repair.

A further distraction is the revela-tion that state officials have known for more than 10 years that the col-

lapsed stretch of freeway bad an out-dated design which made it vulnerable to shock waves.

ble to shock waves.

Oakland, often described as a poor neighbour of San Francisco, has suffered the greatest number of casualties and widespread damage without receiving the same level of attention. City Hall, for example, will be out of action for 60 days and the buildings are nitted with dents, gracks and broare pitted with dents, cracks and bro-ken windows, as if peppered by a tank

on a local tour. On the other side of the bay, network reporters and cameramen were cruising in stretched limousines, filming the damage in the wealthy finan-cial district.

East Germany's new leader strives to restore confidence

By Leslie Colitt in Berlin

EAST GERMANY'S new leader, Mr Egon Krenz, yester-day threw himself into a round of meetings with factory work-ers and Protestant Church leaders in an attempt to convince a sceptical and restive population that he intends to make important changes.

The meeting with workers at the key "October 7" machine tool factory in East Berlin took place amid rising demands by workers for the lifting of travel restrictions and for political and economic reforms.

Mr Krenz later met the senior Protestant churchman, Bishop Werner Leich, in an attempt to convince the Church to withdraw its support for opposition groups which want radical reforms. A communiqué issued afterwards said both sides wished to "pre-serve" East Germany and had

divided them. Confidence had to be created and no one could be excluded from an "honest dialogue" which, however, would be endangered by "rash actions." This was an obvious warning ainst militancy on the part

of the opposition.

BZ am Abend, East Berlin's evening newspaper, last night said that citizens should not "expect miracles" from the new leadership's promise to liberalise travel to the West. The official news agency, ADN, said Mr Krenz yesterday spoke with ordinary workers and then held a meeting with 50 Party and official trade union representatives. The discussion ranged from the "active participation" of workers in solving political and eco-

nomic problems, to "sharp crit-

"more in common" than icism" over shortcomings and the need for improved performance and quality.

East Germany's most promi-

nent researcher, Mr Manfred von Ardenne, 82, a physicist, told a meeting in Dresden that only "wide-ranging reforms" could halt falling industrial productivity. He advocated a departure from the over-centralised planned economy and said smaller and medium sized factories were needed. Virtually all of East German industry was organised into giant Kombinate, vertical trusts, under Mr Günter Mittag, the economic chief who was deposed on Wednesday along with Mr Erich Honecker, the

Party leader.

Bishop Leich recently urged the Party to Introduce sweeping political reforms if it did not want to risk further unrest.

Mr Manfred Stolpe, the Church's senior lay official who also attended the talks, said "miracles" could not be expected from Mr Krenz who had inherited a "heavy leg-

Mr Krenz's predecessor enjoyed good relations with the Church until last year when it began to speak ont more openly about the need for reforms. Now, however, the Church faces a situation in which much of the organised opposition is slipping out of its control. At the same time, militant young pastors who are often critical of the cautious church leadership enjoy a wide following in Saxony and else

Continued on Page 18 Genscher calls for fundamen tal reform, Page 4

Under Mr Afanasyev's edi-

torship, Pravda's circulation

has been falling - subscrip-

tions for the coming year have slumped by as much as two-thirds - while Argumenti i Fakti is the single most popu-

increase its print run from 20m

Mr Frolov was a contempo-



Lawson defends his economic policies

By Peter Norman, Simon Holberton and Patrick Harverson in London

MR NIGEL LAWSON, Britain's banks and building societies -Chancellor of the Exchequer, last night issued an uncomprolast night issued an uncompromising defence of his monetary policies as figures showing growth was broadly based high bank lending and a big fall in unemployment cast doubt over the economy's sensitivity to high interest rates. In his annual Mansion House speech for bankers and mer-chants of the City of London,

Mr Lawson also announced changes to the Government's growth in lending, and some questioned the economy's these could have far reaching these could have far reaching for the structure Growth in the narrow Mo money supply, market.

tance of M0, the narrow measure of monetary growth, and the exchange rate in determining interest rates. The Government could not allow the rigour of monetary policy to be undermined by exchange rate weakness and this meant inter-est rates "will have to remain high for some time to come." The figures released yester-

day showed that lending by

throughout industry but subdued in the personal sector. The increase compared with £8.4bn in August and an aver-

which lend to home-buyers -

age for the past six months of £7.4bn. Officials barely dis-guised their disappointment with the continued strong growth in lending, and some measure of money supply,

appeared to come back within He underlined the impor- the Treasury's 1 to 5 per cent annual target range last month. Mo, which includes mostly cash in circulation, was 4.5 per cent higher than Sep-tember 1988, but the Bank of England said the rise was about 5.3 per cent after taking Continued on Page 18 Bankers at Mansion House,

Lawson and Howe repudiate Walters' view of EMS, Page 7; wage costs higher, Page 8

Gorbachev ousts the editor of Pravda

By Quentin Peel in Moscow

MR Viktor Afanasyev, editor of the Soviet Communist Party newspaper Pravida and a bas-tion of the conservative estab-lishment in the Soviet party, has been removed to make way for one of Mr Mikhail Gorbachev's close political advisers. After 13 years in the post, Mr

Afanasyev, 66, has been replaced by Mr Ivan Frolov, 60, one of the four men working as aides in the Soviet leader's political "cabinet."

Mr Frolov is expected to bring the party's mouthplece back into the mainstream of support for continuing reforms in Soviet society.

The move marks a startling coup for Mr Gorbachev. He is removing one of the most entrenched survivors of the old regime. Mr Afanasyev's departure

will be announced officially in today's newspaper, according to a Prayda spokesman. He will leave to take up an appointment at the Academy of Sciences, although his age clearly puts him in line for retirement. The coup still leaves unclear

the position of a leading reformist editor, Mr Vladislav Starkov of the mass-circulation weekly Argumenti i Fakti. Mr Gorbachev last week is reported to have demanded his resignation in a closed meeting

with Soviet newspaper editors.

Observers in Moscow believe Mr Gorbachev's attack on the ticular, was a smokescreen for his real target, who was Mr Afanasyev at Pravda, flagship Mr Starkov, however,

refused to quit and yesterday gave his approval to the final proofs of the weekly edition as Since Mr Gorbachev's accession in 1985, Pravda has pursued an erratic line between conservatism and reform, occasionally delivering startling diatribes against more radical manifestations of change.

rary of the Soviet leader at Moscow University in the early 1950s, where he graduated in philosophy, eventually becom-ing editor of the magazine stions of Philosophy.

to 30m in 1990.

Hungary legalises opposition parties, Page 2

Hongkong and Shanghai Bank

ONE of Hong Kong's best kept corporate secrets is likely to be will move in that direction

This appears to be part of a strategy to bring the bank into line with international practice Kong's company law.

A decision to go for reserves' disclosure could gradually lead

to other Hong Kong banks ending their practice of keeping their reserves and annual transfers secret. "We wouldn't mind doing it ourselves if other institutions went for full dis-closure," Mr David Li, chief executive of Bank of East Asia, the colony's largest family-con-trolled bank, said last night.

The practice, which is pro-tected by local law, has been supported by the Kong Kong Government because of the risk of poor results starting a run on banks' funds. Local analysts have put the

reasons for such a move which would involve opening up both the full reserves and transfers. Mr Purves referred to Europe's 1992 developments, including plans by Swiss and West German banks to start some dis-

Another reason for en early move is the bank's relationship with the UK's Midland Bank in which it holds a 14.9 per cent stake. This holding is frozen until the and of next year unless both parties agree oth-erwise. Hongkong Bank will probably decide whether to go for a bigger stake soon after Midland's annual results are published next spring. A full merger would require full dis-

Mr Purves wants to build the bank into a more broadly based international institution and this has special signifi-cance in advanca of 1997. Although ha would not comment, the most widely dis-cussed possible merger for-mula is creation of a holding company for both banks.



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COMMISSION FOR THE NEW TOWNS. PO BOX 176, LONDON SW15 1BU.

studies reserves disclosure plan By John Elliott in Hong Kong

revealed next year. Hongkong and Shanghai Banking Corporation, the territory's biggest bank, disclosed yesterday that it was studying a provisional plan to make public the size of its substantial inner reserves. "It is very probable in the not too distant future that there will be fuller disclosure," Mr William Purves, the bank's chairman, said. 'I think there is some merit in baving hidden reserves, but the international trend is such that if the anthorities are in favour we

at a time when it is preparing for China's resumption of sovereignty over Hong Kong in 1997. Two months ago it mod-ernised its statutory frame-work to come within Hong

size of Hongkong Bank's reserves at about HK\$20bn

revealing the reserves has been:

(\$2.56bn), with a top estimate of HK\$30bn. This compares with published figures of HK\$35.9bn for shareholders' funds and almost HK\$60bn for capital resources, including loans at the end of 1988. Profits-for 1988 were HK\$4.3bn after tax and undisclosed transfers to the inner reserves.

No final decision about

closure.

taken, but there are several CONTENTS Spaine Challenges put Seville socialists to the Mexico's new President skips



19.2

down the path to deregulation A year sgo, President Salinas of Mexico was said to lack etature and looked vulnerable to being toppled. But today his epeedy agenda for freeing up the economy is bear ing fruit, and wrongfooting his opponents. Page 16

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Australia: TV network euphoria evaporates ... 4

Editorial comments Mr Lawson stands pat;

UK Health: Doctors carve up the Tories17

Lext UK Chancellor Nigel Lawson's speech;

Remember Barlow Clowes

THE BONN Economics Minister, Mr Helmut Haussmann, yesterday said East Ger-many could benefit from "con-siderable" West Garman credits it took drastic steps to overhaul its rigid centrally planned economy.

In an unsually detailed list of prescriptions, Mr Haussmann said yesterday that the removal on Wednesday of Mr Günter Mittag, East Berlin's long-standing economic supremo, showed the leader-ship now saw the shortcomings of the economic system.

He urged East Germany to take the opportunity to improve economic flexibility. boost supplies of consumer

UK company looks for recruits

By David Goodhart in Bonn

A BRITISH company has joined the hunt for skilled workers from among the thou-sands of East Germans still sands of East Germans and fleeing illegally over the Hun-garian border and on to West Germany.

The London-based engineer-

ing group Mott McDonald has been advertising for "motlvated young men and women in the local paper in Passau, where most of the East Germans arrive, and whose paper has become a jobs vacant list for West German industry.

Once the East German refu-

gees have received their West German passport they are allowed to travel and work in any European Community country, so that coming to Britain would be quite simple. Other countries in the English-speaking world, par-ticularly Australia and Canada, have also been offering special immigration packages for East Germans who want to

escape Europe completely.

The flow of East Germans fleeing their country did not let up in the 24 hours after the ship change. In the 24 hours to midday yesterday a further 1.900 came over the Hungarian border, bringing to about 50,000 the total number who have left illegally through Hungary since the border was opened at the beginning of

goods and start joint ventures with Western companies. He declared he was ready to hold talks "as soon as possible" with Mr Mittag's successor who has not yet been named.

Mr Haussmann spelled out the forms of economic help which Chancellor Helmut Kohl has promised East Germany in the event of political reforms. Areas for co-operation included consumer and investment goods, research and technology and management training. The Federal Republic would be able to offer "considerable credit possibilities" for such programmes, he said. West Germany was also ready to consider further trade

advantages East Germany enjoyed through indirect access to EC markets, he said. He warned, however, that the East Germans needed themselves to cut back hindrances to trade and give more information on business possibilities, and permit direct con-tacts with thier factories. Mr Haussmann said produc-tivity in East Germany was roughly 50 per cent below West Germany's. Absence of mar-ket-orieutated measures including an unrealistic price system and rigid production goals - had curbed investment

and innovation and produced a

liberalisation in addition to the



Mr Genscher pictured at yesterday's Frankfurt conference with Mr Harry Ott, East Germany's deputy Foreign Minister (right) and EWSS president John Edwin Mroz

Krenz advent does nothing to change refugees' minds

By David Marsh in Bonn

AT No.65 Rochusstrasse in the Bonn suburb of Duisdorf, a for-mer Defence Ministry building converted into a temporary home for East European emigres, Mr Egon Krenz is not

a popular man.
Reaction there yesterday from East Germans who have recently fled to the West was that the country's new leader was highly unlikely to carry out genuine reforms. Having just turned their backs on communism, the East Germans interviewed in their cramped temporary quarters are neces-sarily biased. None the less, comments do not suggest that Mr Krenz will enjoy much of a honeymoon period.

"The choice they have made is not the best. He (Krenz) is another tough Stalinist," says Cornella Graetz, a singer and percussion player from East Berlin. Along with 420 other emigre Germans from the emigre Germans from the Soviet Union, Poland and East Germany, she and her husband are camping in the huilding while waiting to move.

Cornelia absconded during a trip to the West with an East Berlin band. She has got a job from January 1 with at Dissol.

from January 1 with a Düssel-dorf show band, and her hus-band is starting in the catering trade. She says she has found unexpected sympathy from people in the West. "From Krenx's first speech

(on Wednesday evening) I don't think we can reckon with reforms," Cornelia says. "He is talking about the leadership role of the SED (the Socialist Unity Party). "The people don't want that... They will continue to go on the streets."

She adds: "Five years ago, no one in East Germany would have dared to go out shouting "We are the people"... There are moments when I would like role of the SED (the Socialist Unity Party). "The people don't want that... They will continue to go on the streets." She adds: "Five years ago, no one in East Germany would have dared to go out shouting "We are the people"... There are moments when I would like to be back there with them."

Andrea Hofmann is a single

Andrea Hofmann is a single mother from Dresden with a three-year-old son. She arrived on July 27 after a lengthy period of difficulties over her lodging of an exit application. "Krenz is not well liked. He is year-old son Oliver and her sis-

says there is little chance that she will find a job similar to her work as a technician in Dresden polytechnic.

Marion Sahnov is a former bank employee from the Pots-

ter during an authorised visit to see her mother in August.
They left behind a house in the GDR. Marion says she is "apolitical". She says she objected aboling custom and the "military" subsoling custom. tant" schooling system. Marion will soon go on a 10month computer course to retrain as a bank employee. Her husband has found a job as a bus driver. Oliver likes his school. A keen cook, Marion enthuses about the variety in West German food stores. "Here it is normal for children to eat peaches and bananas" - a reminder to Mr Krenz of some of the very basic things which will have to change if

Genscher calls for fundamental reform in East Germany

By Edward Mortimer in Frankfurt

Genscher, gave a blunt werning yesterday to East Gering yesterday to East Germany's new leaders that they must introduce "fundamental reforms." The East German people, he said, would "judge the new leadership by how determined and consistent it is in following tha path of reform."

Mr Genscher disclaimed any intention to interfere in the internal affairs of the German Democratic Republic. "But," he said, "we do want the people in

said, "we do want the people in the GDR to be able to get involved in the internal affairs of the state in which they live. What a person does with his newly-won freedom is entirely his own affair."

Speaking in the symbolic setting of St Paul's Chnich, Frankfurt, where the first German National Assembly met in 1848, Mr Genscher declared that "40 years of division have not made two Europes, nor two German nations." There was he said, "neither a capitalist nor a socialist German nation. We as a nation are bound we as a nation are bound together, not only by our common history, culture, language and responsibility, but by our desire for freedom, democracy and burnan rights.

The East Germans were posing the question of freedom . This honours the whole, indivisible nation." Mr Genscher, who attracted some criticism from his West-ern allies, with his call, nearly three years ago, to "take Gorb-

THE West German Foreign achev at his word," yesterday Minister, Mr Hans-Dietrich expressed satisfaction that

expressed satisfaction that "today everybody takes Mr Gorbachev and his reform policy seriously." It was now, he said, "merely a question of how to proceed."

The European Community should "respond with imagination and flexibility" to the expectations of those East European states which "have begun to restructure their political and economic political and economic He told his audience of West-

ern and Eastern security experts there would not be "a ern and Eastern experts there would not be "a separate German course. Our policy will not be de Europeanised." On the contrary, he stressed West Germany's contribution to European integration, its backing for Mr Jacques Delors, the European Commission president, and its "determination to achieve European union," promising to judge the commitment of other member states (a sidelong reference to Britain) by their attitude to economic and monetary union and to the social charter.

Mr Genscher was opening the conference of the New York-based Institute of East-West Security Studies, an annual event which last year was held at Potsdam in East Germany. Mr Oskar Fischer, the East German Foreign Min-ister, had also been due to speak yesterday. But, not sur-prisingly in the circumstances, he had decided to stay at

Leipzig protests point the way for disaffected East Germans

Mr Egon Krenz, went into the factories of East Berlin yesterday to try to stave off the phenome-non that might one day be his undoing. That phenomenon was demonstrated by East Germans who took to the streets of Leipzig, Dresden and other industrial centres this week to make known their demands. If the unrest spreads northwards to East Berlin, Mr Krenz will have a

full-blown crisis on his hands.

The 100,000 protesters who marched peacefully through Leipzig on Monday taught their fellow East Germans a lesson which will not easily be forgotten. The growing mass protests each week in East Germany's second largest city played an

Erich Honecker, His successor will have to produce more than superficial reforms in order to placate the aroused citizens in East Germany's industrial heartland of Saxony.

The crowd which gathered at four churches in Leipzig last Monday jeered at official leaflets calling on them not to demonstrate: "Dialogue, caim, togetherness — that is the way!" they were told. Loudspeakers in the city centre broadcast non-stop appeals by offi-cials and prominent citizens warning that the street was not the place to solve the problems of East Germany. But the protesters, a cross-section of East German society, were in

Leslie Colitt reports on the powerful pressures building on the country's streets

longer listening. "We need a total renewal and this is the start of it," a Leipzig engineer said. He and the other demonstrators walked 20abreast on the wide Ring boulevard around the Old Town. For the first time, banners were unfurled calling for freedom of assembly and free

Mr Krenz promised in his first speech as party leader on Wednes-day that travel would be liberalised

the "inevitability of the victory of socialism" was scarcely calculated to win him supporters among people in Leipzig who were chanting "Wa are the people" and "Democracy now." Repeated calls for the authorities to legalise New Forum, the largest opposition group, were among the milder demands.

What kind of socialism did the protesters want? I asked a middleaged chemical worker from nearby Bitterfeld. "We don't want this kind," he replied. "Most people want free elections and then we'll see what type of system they choose," he said ignoring all the mosties of the division of Germany.

the militant 45-year-old opposition gury of Saxony — the southern region including Leipzig and Dresden — said many people "no longer believe words" and sensed the party was using delaying tactics. Their dismay at Mr Krenz's first speech-indicated that the demonstrations would continue, he said yesterday.

Pastor Wonneberger was among the 22 representatives of citizens groups who last week met city officials who were instructed by Rast Berlin to conduct a dialogue with the disaffected population.

the disaffected population. "It was more of a hearing." he declared. "They said wa had to recognise the leading role of the party, and we said this is precisely what we must talk about." The pas-

tor said he proposed election reforms, the right of assembly and freedom of the press, but the offi-cials were only willing to talk about local issues such as the "expansion.

The worst possible scenario for Mr.
Krenz, however, would be for a meeting of minds between politically-aroused workers and the thousands of people who each evening crowd into Gethsemane Church in the Prenzlauer Berg district of East Berlin. The vigil held at the church for the release of persons arrested in the East Berlin demonstrations on October 7 has become a magnet for reform-minded East Berliners of all ages and occupations who seek the safety that comes in numbers.

Italy offers

\$400m aid

Hungary legalises opposition Warsaw Pact tables new arms proposal

opposition political parties yes-terday, voting overwhelmingly to end more than four decades of one-party rule, Renter reports from Budapest.

And in a victory for Prime Minister Miklos Nemeth, par-liament ordered the ruling party to start disbanding its workplace organisations regarded by Communists around the world as e key element of party control.

Apart from a few days during the 1956 uprising, when a

multi-party government seeking Hungary's withdrawal holders and the Social Demo-from the Warsaw Pact was crats, which were banned as

crushed by Soviet tanks, only one party has been officially recognised since 1948. But yesterday, members of

parliament, who on Wednesday purged the constitution of all Stalinist elements, passed the Party Law by 323 votes to four, with 15 abstentions.
Opposition groups, including the Hungarian Democratic Forum and the Alliance of Free Democrats, began emerging

about two years ago.

They were later joined by re-emerging "historic parties" such as the Independent Smallholders and the Social Demo-

the Communists took power But although they were able to fight parliamentary elections this summer — opposi-tion candidates trounced the ruling party in four successive poils — the law did not until now allow them to register as political perties.

The section of the Party Law

banning parties from setting up organisation at workplaces passed with ease by 279 votes to 44, with 12 abstentions.

The vote was unexpected in view of the fact that 70 per cent of MPs were members of the now defunct Communist

mand of the streets and were no but could offer little else in the way Pastor Christoph Wonneberger,

well as adopting stringent veri-fication measures following an agreement on reducing conventional forces in Europe.

The proposals, tabled on the final day of the third round of the talks, were described by Neto diplomats as "very close"

to Western proposals presented However, a set of proposals,

THE WARSAW PACT yesterday presented a package of proposals to the Conventional Forces in Europe (CFE) talks aimed at strengthing the exchange of information as questioning by Nato diplomats. The Pact's measures propose that any one state, or groups of countries belonging to the same alliance, could conduct exercises exceeding 40,000 troops only once every three years. Each signatory should be notified two years before such exercises.

proposals, which, because of the geographical distance between the United States and its European Nato allies, suggested that exercises above 40,000 could take place every two years but with 12 months prior notification. One of the main points of disagreement on these stabilis-ing measures is the future status of storage depots. Nato

included them in its overall ceiling figures but excluded them in its "sub-ceilings", covuch exercises.

These contrast with Nato's ering Central Europe, in particular. The Western alliance

regards storage as essential for Nato's strategy of flexible response and forward defence. But it had stressed in its detailed proposals last month that movement in and out of storage would be arbited to storage would be subject to strict monitoring procedures. For geographical reasons the Warsaw Pact does not have any storage units. But, in its proposals presented yesterday, if now appears to want to expand the storage area, but at the same time reduce the number of armaments in any one

to Poland **PTALY YESTERDAY showed** its determination to be in the

forefront of aid programmes for Poland by making a bilat-eral offer of \$400m of export credits when the premiers of the two countries meet in Rome over the part the two countries meet in Rome over the next two days.

During preparations for the meeting between Mr Giulio Andreotti, the Italian Prime Minister, and Mr Tadeusz Mazowiecki, his Polish counterpart, it is understood that the Poles lamented the absence of any Italian bilateral aid offer since the formation of the new Warsaw Gov-

tion of the new Warsaw Government.
The credits will be guaranteed by Sace, Italy's export guarantee agency, which will also offer political risk insurance. The aid is intended to span both direct investments in Baland. in Poland, project financing and co-financing with the World Bank.

World Bank.
During his visit Mr Mazowiecki will also have an audience with Pope John Paul. Mr Kryzystzof Skuhiszzewski, the Polish Foreign Minister, said in an interview with Ansa, the Italian news agency, that the audience would underline "our spiritual links with the thinking of the Holy Father."

Mr Mazowiecki, for his part, confirmed in an interview published yesterday by La Repubblica newspaper that he had chosen Rome for his first foreign visit because "of the weight of the Pope's personality."

His meeting in the Vatican would have "enormous moral significance, in Poland in particular, and more generally in the world."

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European unions attack social charter

By Lucy Kellaway in Brussels THE European Trade Union

Confederation yesterday attacked the EC's plans for a social charter, arguing that in order to give workers adequate protection, proposals needed to be made stronger, more precise and legally binding. The trade unions' insistence that the charter should be

tightened up runs directly con-trary to the view of some mem-UK - that it is already too

Mr Ernst Breit, President of the ETUC and head of the pow-

erful German trade union federation, said yesterday "I have seen drafts of the report, but I am not satisfied that they meet our demands."

In particular he attacked the "solemn" commitment from the Commission to an — as yet unspecified — programme of action. He said that the pro-gramme should be incorpo-rated into law, that it should be extended to include both temporary as well as full time workers and that the provision concerning right to strike should apply to everybody employed in both public and private sectors.

He was speaking at the end of a four day rally of European trade unionists in Ostend and Brussels, at which union leaders representing 17,000 workers across Europe expressed their concern over existing plans.

Their amendments were conveyed to Mr Jacques Delors. the president of the Commission on Wednesday evening, and will be put to member states before their meeting in Strasbourg in December.

Swiss to retain a tight monetary policy

SIGNS OF overheating in the Swiss economy left the National Bank with no choice but to persist with its restric-tive monetary policy, Mr Mar-kus Lusser, its president, said yesterday.

However, he was convinced that inflation could be held at

bay without creating a reces-His optimism was separately supported by Mr Otto Stich, the Finance Minister. When presenting the 1990 federal budget, designed to achieve a slight surplus, he forecast an

average annual economic growth of 2 per cent during the next four years. For 1989 the Netional Bank had set a target of 2 per cent growth in the seasonally adjusted monetary base. Mr Lusser said that the Bank had tightened the reins even more severely in the first half

round figures from the target.
Growth in gross domestic

This brought about a gap, which averaged out over the first nine months, of four percentage points, or \$1bn in

higher than expected, probably reaching 3 per cent. However, prices would rise roughly in line with forecasts made at the end of 1988, to just over 4 per cent by the end of the year, giving an annual average increase slightly above 3 per cent. Mr Lusser said the National

product this year would be

Bank had decided not to tighten the screw further when the West German Bundesbank increased its discount and Lombard rates two weeks ago. There were risks in such a

franc against the currencies of the European Monetary System would be particularly tire-On a trade-weighted basis the franc fell by 5 per cent during the first five months of the

policy. A new weakening of the

year, but has since recovered to a level only 3 per cent below that of January. The 1990 federal budget, submitted yesterday, aims at a surplus of SFr474m (\$290m) on expenditure of just under \$30bn, up by 8.3 per cent over the 1989 budget.

Challenges from both sides put Seville socialists to the test

Peter Bruce reports that Gonzalez' home base of Andalucia is no longer a sure bet for the government

F Mr Felipe Gonzalez, Spain's Socialist Prime Minister, loses his overall majority in the Cortes (parliament) in the general election on October 29, the damage will most likely have been done here in Seville, his chaotic but charming home town.

The people who run Spain do not pronounce the middle of their words. The accent is Andalnce. Spain's largest region is where the modern socialist party came together in the last years of General Franco's life and where the young leaders planned their march to power. It was the Andalucian vote, loyal to Mr Gonzalez, that won him the 1986 referendum to stay in the North Atlantic Treaty Alliance. In the 1986 general elections, the Socialists won 42 of the 60 Cortes seats in Andalucia, their most solid performance anywhere. But their 184 seats overall give them a majority of just eight in the Cortes and this time all the polls predict a slight fall. If the voters of Andalucia let them down, Spanish politics could change dramatically. The danger is two-fold. First,

the communist Izquierda Unida (IU), is also being led in this election by an Andalucian, Mr Julio Anguita, who knows his territory. The IU is expected to increase sharply its nationwide vote and double its seven Cortes seats. The IU, the polls say, is going to do well in cities where disenchantment with the Socialists is growing. Secondly, the fortunes of the small Andalucian nationalist grouping, the Partido Andalucista, have revived after it lost its five Cortes seats in the 1982 election that brought Mr Gonzalez to power. Led by Mr Pedro Pacheco, the rabble-rousing, rude mayor of Jerez, and an aloof aristocrat, Mr Alejandro Rojas Marcos, in Seville (the two get along best when

they are apart) the party won a



seat in the European Parliament in June. Its simplistic nationalist message is attracting young voters. A less conventional threat

also comes from Jerez. It is the home town of Mr Jose Maria Ruiz-Mateos, the fallen tycoon who is still facing fraud charges following the expropriation of his giant Rumasa banking empire in 1983. Mr Ruiz-Mateos' theatrical fight to keep out of jall has appealed to an anarchic Spanish sense of humour and he won two Euro-

pean seats in June. Thus fortified, he is now campaigning to get into the Cortes. Fortunately for the Socialists, he tends to rob support from the

There is an ugly edge to the campaign in Seville. Ms Sole-dad Becarril, the leading candidate for the conservative Partido Popular, accuses the Socialists of buying support by sociansis of though support by giving jobs to party members and discriminating against ordinary people. The accosation, which is echoed throughout Spain by opponents, has much more force here. "They rum it like a socialist fief," she says. "They abuse power in all of Spain but much more so here. They have no respect for liberties. They use public funds to reward their

friends." A new Andalucian television channel, set up by

the Government for more than

Pta 20bn, had to change chair-

man after a few months when

its finances collapsed. in Spain,

where few people read newspapers, television is the key "It is difficult for us to get our message across," says Ms Becarril, "It is in Andalucia (which is relatively poor)

where people are less informed and where the socialists have the most votes. They are strongest in areas where people are culturally deprived." It is true that Andalucia has prospered under the Socialist Government, Billions of pese-tas are being poured into Sev-ille for the World Fair in 1992. The airport is being rebuilt. A multi-billion peseta high-speed rail link is being built between Madrid and Seville. The Socialists see not much wrong with this. Mr Luis Yanez, one of Mr Gonzalez' earliest political associates, number two on the Socialist elec-

toral list for Seville and a junior minister, happily boasts that "the Government has put

more money into Seville than

anywhere else".
"The spending is legitimate," he says and, clearly, as the socialists get out into the streets to fight off the left-wing and nationalist challenge, their canvassers have all the sums at their fingertips.

"We always ask people whether they think they are living better now than they were in 1962 and the answer is always yes", he says. "Socialists in Spain have always bean accused of corruption but you will have to wait until we die to find out the truth about how rich we are."
Mr Yañez acknowleges that the IU will probably make some gains at the socialists'

In the PA offices in the centre of Seville, all is chaos. No one seems sure where Mr Rojas Marcos is. Or the party spokesman. A few blocks

expense, but that his party will hold at least its position in Sev-ille. The key to this confidence

away, the Socialists have converted a shop into a voter information centre. Nice blue carpets, smiling people behind deaks. All is calm and the signed pictures of Mr Gonzalez are free. in a country where it is diffi-

cult to get even two people to co-operate, the Socialists' ability to organise themselves is probably their greatest Just in case it does not work

this time, the Socialists have drafted in a new secret weapon. She is Ms Carmen Romero, the Prime Minister's wife, now campaigning down in Cadiz. Slightly to the left of her pragmatic husband, it is hoped she might help prevent too much spillage to the communists and draw in the female vote. For the undecided female vote. For the undecided and macho Andalucian male, Ms Romero just happens to be a very nice person and also muy quapa (very good looking). It is almost unfair.

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manufacturer, has gained its the company's chief representirst footbold in the Soviet tative in Moscow.

engineering and marketing centre which will test both ICI products for the Soviet market, and Soviet products for export

to the West.

It will bring together ICI overall substantial involvement for our products in the ment f

ogy products in powder paints, used to coat panels on a wide range of consumer goods, such as refrigerators, according to

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Comment of the control of the contro

The Soviet partner in the venture has developed a pow-der paint for gas pipelines which ICI believes could have

ICI, the world's largest paint according to Mr Robert Chitty, market, with an agreement to set up set up a joint vanture in Lenin the joint venture was signed in grad.

The deal is to establish an mitchell, the chairman of ICI engineering and marketing East Europe.

Centre which will test both ICI "ICI sees this agreement as products for the Soviet process."

sn important breakthrough in the Soviet paint market, and an essential step towards an overall substantial involve-

small.

Hitherto the British chemicals group has been involved with the Soviet Union in licensing technology.
This has covered polyester fibre, polyester film and metha-

nol production, as well as wheat and pea farming man-agement projects. property rights.
The Silberston report is thus

Peter Montagnon reports on a study urging radical changes in the Multifibre Arrangement

RITISH consumers would benefit to the tune of £960m a year and employment in the textiles and cothing industry would fall by 33,000 if the import quota restrictions under the Multifibre Arrangement (MFA) were abolished, according to an independent study published

independent study published yesterday by the Department of Trade and Industry.

Written by Professor Aubrey Silberston of Imperial College of Science and Technology in collaboration with his wife, Ms. Michele Ledic of Birkbeck College, the report was commissioned by the DTI to stimulate debate and help form UK policy in connection with the discussion on the future of the MFA in the Uruguay Round of multilateral trade talks.

Trade in textiles has become one of the more contentious items on the agenda of the Uruguay Round, with develop-ing countries pressing the industrial world to phase out the MFA in return for their agreement to tighten rules covering new areas such as trade in services, investment flows and protection of intellectual

likely to command an audience well beyond UK businessmen and policy makers for whom it was originally conceived. It is the second such report by Pro-

fessor Silberston, a recognised authority on world trade in textiles and clothing. In the first, published in 1984, he argued that the MFA was an inefficient system of protection which had actually resulted in a net loss of employment in the UK economy.

The latest report suggests that, though parts of UK industry would suffer as a result of quota abolition, the process could be absorbed quite easily. especially as it would take place over a prolonged period. The gain to consumers from lower prices would be equiva-lent to \$29,700 for each worker displaced, which is three or four times as much as the average wage in the sector. "The figures leave no doubt that it would in principle be possible to compensate workers displaced by the ending of the MFA, and still leave a good deal of consumers' surplus to spare," Professor Silberston concludes.

A core finding in the report is that landed import prices of textiles and clothing into the European Community would fall by 8 per cent if the MFA quotas were phased out. This is less than the level

suggested by the value of Hong Kong textile quotas which are freely traded between individual companies there, and often taken by economists as a sur-

Import penetration in the UK Textile and Clothing Industries (%)

rogate for the extra cost to consumers imposed by the quota system. But Professor Silber-ston argues that Hong Kong quota prices are distorted by exchange rate fluctuations and particular supply-demand situ-ations for specific products. Also, tariffs would remain even after quotas disappeared. The fall in import prices

would not be fully reflected at the retail level where prices would drop by only around 5 per cent, he says, but this would still prompt a modest increase in demand.

The report suggests that the removal of the MFA would provoke fierce competition for market share among developing countries. Indian exports

esion, Department of Trade and industry have increased in recent years and its quotas are now beginning to bite, while China, with exports of textiles and clothing of \$13bn in 1988, could be a "formidable" competitor in tan-

dem with Hong Kong.
Yet Professor Silberston argues that, as a trading country, China would still face some export limitations even without the MFA, and there are also internal constraints, including poor infrastructure

and organisation.

Nominal wages in countries such as China, Pakistan, Sri Lanka and Indonesia are only around 2 to 4 per cent of those in the US, he adds, but there is no reason to assume that this

swamping developed country markets. "In spinning, weaving and knitting, modern techno-logical developments have con-siderably offset the advantages of the low-wage countries. Their costs are not markedly lower, and their quality is on average less high.

This is not true, however, in clothing where automation is still some years away and low-wage countries retain consider-

able cost advantages.
The UK clothing industry is vulnerable, he says, but those parts which concentrate on high fashion are in a good position to withstand competition from the newly industrialised economies and the low-wage countries.

Moreover, much of the clothing industry is concentrated in South-East England, where

alternative employment oppor-tunities are good.

Particularly vulnerable parts of the country from the point of view of their levels of unem-ployment are the North West, Scotland and Northern Ireland, bot even in these locations some branches of the industry should be able to stand up well to increased competition.

Professor Silberston says his

forecast of a loss of 33,000 jobs shake-out that has already occurred in the UK industry in

175,000 jobs. Figures such as these are of no comfort to those who might lose their jobs, he says, but they do help put the position into perspective, and any phase-out of the MFA would only occur gradu-

MFA would only occur gradually, over a period of years.
In a separate section on the impact of the European Single Market on the textile industry, he rebuts the frequently voiced fear that a single European quota would strike particularly hard at the UK because the concentration of its retail concentration of its retail industry into a limited number of chain stores would make it a target for overseas exporters. Large exports already go to other EC countries with a more fragmented trade, he

These markets are more prosperous and, often more dence for this is that Hong Kong quota premiums for West Germany are generally higher than those for the UK. "Looking at the matter from

the point of view of the UK economy, consumers would have much to gain from the ending of the MFA," he concludes.
"The textiles and clothing

industries are now in as good a position to withstand adverse effects as they have ever been, especially if the transition is a

Italians begin push for more exports to Japan

By John Wyles in Rome

boost its exports to Japan and Rome honours the committo encourage Japanese invest-ment begins today with the

The high point of the Italian campaign will be a meeting next Tuesday of the Italy-Ja-pan Business Group which will-bring together the two coun-tries top industrialists to discuss new trade and co-operation initiatives. Until now, only

such forum with Italy is largely the work of Mr Renato Ruggiero, Italy's Minister of-Foreign Trade, whose strategy trial and financial groups: aims to boost halian exports to The most serious talking is Japan as quickly as possible: expected after an opening ple-He sees the need to compan-nary session.

THE MOST determined effort sate for the expected rise of that Italy has ever made to Japanese imports into Italy as ment made earlier this year to lift nearly 40 import restricdeparture for Tokyo of a tions on Japanese products, top-level political and business Last year Italy ran a deficit with Japan of nearly L1,400hm

(£648m). In addition, Rome is hungry for a larger share of Japan's overseas investment. At the moment, the value of Japanese investments is higher in Luxembourg than in Italy.

The Italian side of the busithe UK has set up a similar ness group will be led by Mr forum for developing business opportunities.

The creation of a second will be accompanied by top managers from most of italy's lavelly the work of Mr Regarin leading companies. Japan will be fielding its foremost indus-

Concern rises at Gatt over US double standards By William Dullforce in Geneva

US TRADE policy and possibly the Uruguay Round trade talks will arrive at a moment of truth when the Council of the General Agreement on Tariffs and Trade (Gatt) next meets on Novem-

At the last council meeting on Octo-ber 11 many countries, including US allies such as the European Community, Japan and Canada, made it clear they are becoming incensed and wor-ried by what they see as the double standards applied by Washington to

While Mrs Carla Hills, US Trade Representative, was in Seoul and Tokyo, urging South Korea and Japan to join the US in making a success of the Uruguay Round and in reinforcing the nultilateral trading system, her dep-uty, Mr Rufus Yerxa, was refusing for the seventh time running to let the council of the Gutt, the guardian of the an opening ple-trading system, adopt a disputes panel recommendation that the US change respond to the Gatt ruling. Delegates

the way patent infringement cases involving imported goods were handled in its courts.

Mr Yerza also blocked a Canadian request to the council for authority to increase duties on a number of imports from the US by 2.5 percentage points in retallation for Washington's failure to remove its discriminatory "superfund" tax on imports of Canadian oil.

A similar request from the RC was blocked at a previous council meeting. The council adopted a panel report calling on the US to change its "superfund" legislation as far back as June,

An amending Bill has passed the US House of Representatives but has yet to be approved by the Senate. Mr Yerza said it was "inappropriate" to let Ottawa retailate for the delay, which is costing Canadian companies just under \$11m a year, while the US Administracriticised the inconsistencies in the current US approach and voiced con-cern about the effect it can have on the climate of the Uruguay Round.
It is recognised that, at a time when

US business has made protection of intellectual property rights an impor-tant issue, it is difficult for the Bush Administration to persuade Congress to change section 337 of its Trade Act in a way that might appear to weaken the enforcement currently allowed. But it is equally difficult for the Canadian Government to accept the latest Gett finding against its restric-tions on ice-cream imports from the US, which by extension queries its whole agricultural supply management system. Why, it is being asked, should the Koreans not continue to refuse action on Gatt findings in favour of US, Australian and New Zealand complaints against its beef import restric-

and backhiting would poison the atmo-sphere in the multilateral trade talks from which Mrs Hills says she wants to call the "maximum package" of results. At the heart of the matter is the "Super 301" clause in the new US Trade Act which enjoins the Administration - after following certain proce-

dures — to act against countries accused of unfair trading. Now, however, many trade officials are again referring to the perversity of a US poised to act unilaterally against what it considers contraventions while it refuses in Gatt to accept rulings against its own contraventions.

The credibility of US commitment to the multilateral trading system and the Uruguay Round is on the line. That is why the Bush Administration is being Australian and New Zealand com-plaints against its beef import restric-tions? There is a danger of recrimination why discuss Animas rations is being urged by US trading partners to allow adoption of the 337 panel report at the next council meeting and to convince Senate leaders that they must pass the amended "superfund" Bill in time.

El Al close to Aeroflot deal

By Hugh Carnegy in Jerusalem

EL AL, the Israeli national airline, and Aeroflot, the Soviet carrier, are close to establish-ing scheduled flights between Tel Aviv and Moscow for the first time, as trade and political links continue to warm 22 years after the Soviet Union broke diplomatic relations over

Mr Rafael Har-Lev, El Al's chief executive, returned home yesterday from a visit to Moscow at Aerollot's invitation at which the two airlines decided to set up two teams to discuss commercial and operational terms for the route.

El Al already operates flights to Warsaw, Budapest and Bucharest and is anxious to increase tourist links with the

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networks evaporates

mit country towns to receive

more than one commercial

channel. Separate proposals for

were promised higher quality programmes and more locally-

made productions, and improvements across the

Mr Lowy, having picked up "the worst house on the street," was particularly deter-mined to create a quality net-work, and Channel Ten broke

work, and Channel Ten broke a gentlemen's agreement with its competitors by bidding early, and high, for forthcom-ing US-made programmes. It also paid heavily for the television rights to cover the 1988 Seoul Olympics, and lay

ished money on an expensive current affairs programme.

raised interest rates through

the financial strains became

In September, Mr Lowy made his fateful decision to bale out. Northern Star wrote

down the value of its television

licences by an astonishing A\$400m, took an abnormal wri-

tedown on the value of its tele-

vision stations (Canberra,

unbearable.

pay-TV were to follow.

HESE are difficult times for Australian commer-

cial television. A combi-

nation of heavy debts,

increased programming costs.

weakening advertising revenues and bureaucratic regula-tion has left the three national

networks looking uncomfort-

The gloomy picture stands in sharp contrast to the excitement of almost three years

ago, when the Government

unleashed an unprecedented shake-up of the industry by

altering the rules of media ownership in Australia. The doubts expressed then, drow-ned out at the time, seem now to have been vindicated.

Under the new rules, the Government disallowed cross-ownership of broadcast and print media in the same metro-

politan centre. It threw out the two-station limit on television

two-station limit on relevision ownership, but limited "audience reach" to 60 per cent of the national population.

In the ensuing shake-up:

Mr Kerry Packer sold his two Channel Nine television

two Channel rine television stations in Sydney and Mel-bourne, together with a clutch of radio stations, to Mr Alan Bond's Bond Corporation for a

breathtaking A\$1.05bm. Mr Bond reduced the cost by float-ing Bond Media — which never subsequently regained the

A\$1.55 offer price.

• Mr Rupert Murdoch sold his

controlling interest in two

Channel Ten stations, also in Sydney and Melbourne, to Mr

able and unstable.

Angry Thatcher in clash over South Africa

By Robert Mauthner and Roger Matthews

British Prime Minister, was again involved in a bitter clash with her Commonwealth partners over South Africa yester-day in a tense debate which recalled previous Common-

The good pre-conference intentions of all sides to avoid a confrontation, were quickly jettisoned as Mrs Thatcher hit back at ber critics for what British officials described as "the harsh things they said about Britain". Mrs Thatcher was reported to be particularly angry at the remarks of a angry at the remarks of a senior Zimbabwe delegate depatising for Mr Robert Mugabe, the Prime Minister, who was having an audience with the Queen.

President Kenneth Kaunda of Zambia, Mr Bob Hawke, the Australian Prime Minister, and Mr Joe Clark, the Canadian Foreign Minister - represent-ing the eight-member foreign ministers' committee which has been looking into the impact of sanctions on South Africa - all stressed that sanctions had proved to be effective and should be intensified.

In an obvious reference to Mrs Thatcher's views, President Kaunda said: "If you believe that sanctions don't work, that would be an exer-cise in self-deception."

Mr Hawke said that, while it would be churlish to deny that some positive developments had occurred in South Africa in recent mooths, these had not emerged in a vacuum. The Commonwealth could claim much of the credit for having

By Stephen Fidler, Euromarkets Correspondent

debt arrangements mean it will have to make significant capi-

tal repayments to banks in 1990 and 1991, years in which it already faces a crunch of repayments to other creditors, according to international

Nevertheless, the plan, for the period from mid-1990 to the

end of 1993, will be seen by

critics as being tallored to help

the government overcome the

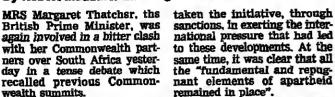
bunching of repayments on for-

eign bond issues in those two critical years.

tions say the principal repay-

Bankers close to the negotia-

SOUTH AFRICA'S new foreign ments secured, particularly in



They included institutional discrimination, personified most vividly in the Groop Areas Act, extremes of eco-nomic injustice and the state of emergency, now in its fourth

South Africa to its knees, but to bring it to the negotiating table," Mr Hawke said.

Mrs Thatcher firmly rejected the other members' argument that financial measures against South Africa had to be extended and intensified. They would discourage rather than eocourage the changes that were under way in Sonth

Britain spent its time trying to resolve poverty and hunger in Africa and she found it strange to be part of a conference which spent its time trying to increase poverty. Sanctions only had the effect of throwing black people out of work, but had no political effect at all.

On the contrary, they tended to strengthen extreme conservative elements.

Replying to criticism of her "uncaring attitude", Mrs Thatcher said that when two African countries had expelled Arican countries had expense its Asian populations, Britain had taken them in. It had also brought Zimbabwe to indepen-dence and free elections. While

By Roger Matthews in Kuala Lumpur

PRESIDENT Kenneth Kaunda

of Zamhia said yesterday that world public opinion could no longer remain indifferent to

South Africa's policy of destabilising neighbouring states, following the publication of a report on "Apartheid Terror-

"Reading this report sounds like a step back into one of mankind's most barbarous

periods of history, during

the early part of the agree-ment, were strongly resisted by

South African negotiators.
After an initial negotiating session in Zurich in September, terms were settled after three

days of talks last week and

announced by the South Africans on Wednesday. Some 14 banks sit on the technical com-

mittee but some, such as Citi-bank, have played little part in

Bankers say they are resigned to criticism, but claim

they extracted a good deal more than the South Africans

were initially ready to offer.



Mrs Margaret Thatcher and Mr Bob Hawke in Knala Lumpur: disagreement over sanctions

she made it "absolutely clear" that the UK would have nothing to do with extra sanctions, she did not suggest that existing sanctions should be

However, their eventnal removal should be used as a bargaining counter for further progress in South Africa. "We need to find carrots, not



COMMONWEALTH SUMMIT

which contempt for the indi-vidual had led to the worst

The report, prepared by the independently-funded Southern

African Research and Docu-mentations Centre (SARDC), based in Zimbabwe, alleges

that over 1.5m people have died in southern Africa in the

past eight years as a result of South Africa's military and economic action against neigh-

Pushing the South Africans

further to make repayments, triggering another default, would be to nobody's benefit, since it would take the debt

repayments constraint off the South Africans, they argue. The agreement provides for

a 20% per cent reduction in the

\$8bn of medium-term loans which fall into the "net" covered by the so-called second interim arrangement over the 3½-year period. This reduction

of about \$1.5bn is on top of \$1.9bn in scheduled bond

repayments, concentrated in

In December 1990, 1% per

Critics say rescheduling deal will help Pretoria over a crunch

atrocities," Mr Kaunda said.

Kaunda calls for action on destabilisation

HAWKE'S PROPOSALS

This is the text of Mr Bob Hawke's five-point proposal for maintaining pressure on South Africa, to be included in the Commonwealth package.

A strong expression of supor A strong expression of sup-port for the principles, approach and negotiating framework ontlined in the Harare Declaration.

Maintain without relaxation all existing sanctions. Develop new forms of financial pressure on South

(a) by seeking to intensify and extend financial sanctions, in particular by:
- calling on all relevant
banks and financial institutions to impose tougher conditions on day-to-day trade fin-ancing, in particular through reducing the maximum credit term to 90 days; and

- calling on relevant governments to make trade credits harder to get by taking South Africa "off cover" with

bouring states. Another 4m people have been forced to

Most of the dead were chil-dren, according to the report,

and died through direct mili-

tary action, disruption of the delivery or production of food,

and destruction of health facili-

ties and immunisation pro-

Wildlife and the region's ecology had also been seriously

cent of outstanding principal will be repaid, roughly \$120m. Under the first interim arrangement, \$166m will be

repaid in the first half of 1990.

Repayments then switch to a February-August cycle, with repayments amounting to 5%

per cent in 1991, 6 per cent in 1992 and 7% per cent in 1993.

Under the first interim arrangement, banks were repaid \$1.4bn over three years

but this was 13 per cent of a

Under the arrangements announced this week, creditors

will be offered another 10-year bond option, which will repay

larger \$14bn net.

cial trade credit and insurance purposes;
- these calls to be embodied

in a letter signed by the CHOGM Chairman and delivered as soon as possible;

(b) by exploring the possibility of the IMF developing a major supportive financial package for South Africa, with

its implementation made contingent on structural political reform of a kind that could reasonably guarantee the eco-nomic stability of the country in the future. • Establish in a major earch institution an inde-

pendent monitoring agency to report upon South Africa's links with the international financial community and the impact of financial sanctions. Re-establish the Committee of Foreign Ministers on Southern Africa (CFMSA) as an ongoing review mechanism to monitor developments and report with appropriate recom-mendations to CHOGM.

The total economic cost to Mozambique, Zimbabwe, Bot-swans, Angola, Zambia and

Tanzania - the six front-line

states - is estimated at \$45bn;

or more than double their com-bined external debt.

principal as with the loans and then be paid down in five equal semi-annual instalments at the

end of their life. This would

help to avoid another bunching

of repayments looming in 1994

South Africa has more than

200 foreign bank creditors, but 35 of the largest are estimated to hold about 80 per cent of the

debt. Most western banks have short-term frozen trade lines

which fall outside the

interim arrangements – with Sooth Africa, amounting to \$2bn or more, since 1985 and

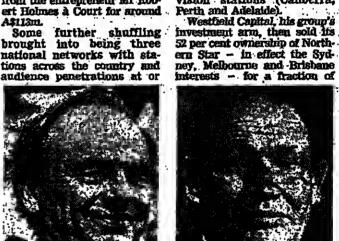
refuse to lend new funds.

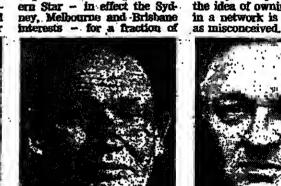
the war.

Sydney and Melbourne, to Mr Frank Lowy's Westfield group, which was inexplicably diversi-fying into a new field after its success developing shopping centres. The investment arm of his empire paid an effective A\$750m for the stations, and held them through the listed Northern Star group. Northern Star group. The Fairlax newspaper group, which already owned the Channel Seven stations in Sydney and Brisbane, paid an enormous A\$320m for their affected. The report said more than 100,000 elephants had been slaughtered in southern Angola and their tusks sold in South Africa to help finance

counterpart in Melbourne before selling all three to Mr Christopher Skase, head of the Quatex media and resorts group, for an effective A\$670m. He then bought two more sta-tions in Adelaide and Perth from the entrepreneur Mr Robert Holmes à Court for around

Some further shuffling brought into being three national networks with sta-





Chris Sherwell finds the outlook for TV is bleak what they would have secured even beyond the 60 per cent limit At the same time govern-ment plans for "aggregation" went ahead, which would pertwo or three years ago. Control is now in the hands of a small production house called Broad-

Over at Channel Nine, which continued to retain its premier ratings position throughout the past two years, Mr Bond hit different problems. The Perhaps predictably, the newly-shaped industry enjoyed a year of irrepressible confidence and aggressive competition. All three networks began buying personalities, viewers worst was with the Australian Broadcasting Tribunal, the Government's regulatory

watchdog.
On the basis of a trafler for an interview Mr Bond gave his own channel, the agency initiated a devastating inquiry into whether he was a "fit and proper" person to hold broadcasting licences. It dragged on for months, and found against him. Although the federal court set aside the finding, the court set aside the finding, the tribunal is now challenging the ruling in the High Court.

Inevitably, the market lowered its valuation of the network, and the Channel Ten

writedowns confirmed its opinion. Then in early October Bond Media announced an operating loss of A\$2.8m and heavy extraordinary losses of

Both the Ten and the Nine networks have since begun taking the necessary remedial measures — heavy cuts in pro-Analysts now agree that the three aspirant - not to say grammes and in bundreds of inexperienced staff, provoking industrial action. At the same time the television moguls Bond group and Mr Skase's paid far too much Qintex are resisting pressure to accept large writedowns on their licences. for their networks

Cintex's results, due this month, are awaited with nervous anticipation. Moreover, The impact of the helty debt and costly programming became increasingly apparent as the Government relentlessly Mr Skase has his own prob-lems with the Broadcasting Tribonal. Earlier this year he 1988 and 1989. Despite the Neighbours soap and the sucwas late with a licence fee payment. And it is investigating whether his multiple acquisi-tions breached the 60 per cent cessful Comedy Company series, Channel Ten continued to lag in the ratings, its adveraudience limit. tising revenues suffered and

Analysts now agree that the three aspirant - not to say inexperienced - television moguls paid far too much for their networks at the wrong time and funded their purchases with too much debt.

In the industry itself, a grim mood has replaced the euphoria of 1987. Some question the whole notion of networking, others whether there can really be a place for three com-mercial networks in a market of only 16m people. Certainly the idea of owning all stations



larger than the opposition esti-mated.

He also attacked the plan for consigning people to a "social sink" from which they would

From left, the media mogule forced to sell up: Murdoch, Packer and Bond

Prince Saud bears peace message

SAUDI ARABIA'S Foreign Minister Prince Saud al-Faisal held talks in the Syrian capital yesterday in a bid to break the impasse in Arab efforts to bring peace to Lebanon, Reuter

reports from Damascus. Lebanese parliams ntary sources in Taif, Saudi Arabia, said Prince Saud was carrying a message from King Fahd to President Hafez al-Assad focussing on the Arab League's proposed national reconciliation charter for the war-weary

country.
Riyadh is searching for common ground to bridge the gap between Lebanon's Christian and Moslem deputies who have been meeting in the Saudi mountain resort of Talf since

Prince Saud met Syrian President Hafez al-Assad, Vice-President Abdel-Halim Khaddam and Foreign Minister Faroug

al-Shara, officials in Damascus

His visit comes after three weeks of largely fruitless talks between 62 deputies, squally divided between Moslems and Christians.

They have so far falled to agree on a compromise which would satisfy Moslem demands for power-sharing and Chris-tian calls for a fixed timetable for the withdrawal of Syrian troops from Lebanon.

The Arab League proposals being debated by the deputies include a commitment by Syria to redeploy its forces within Lebanon to the country's East-ern Bekka'a valley within two years of political reforms being introduced.

Christian hardliners want a rapid and guaranteed timetable for the withdrawal of Syria's 33,000 troops in Lebanon.
Prince Saud has held meet

ings with the Christians who said he advised them against

seeking radical changes in the

However, Lebanon's Chris tian army commander Major-General Michel Aoun, warned ising their country's sover

Parliamentary sources said one way to find a way out of the impasse was for the peace committee members Saudi Arabia, Algeria and Morocco to guarantee a Syrian withdrawal and the reforms demanded by

Demands for Syrian with drawal were originally made by Aoun in March, sparking six months of fighting in Lebanon in which more than 800 people were killed.

Korean opposition accord

By Maggie Ford in Secul

OPPOSITION Korean Government to deal with the lingering political problem of the former military regime led by disgraced ex-President Chun Doo Hwan.

The three parties, which together command a majority in the country's parliament, agreed to refuse to pass the budget until the Government acted to solve the problem, and to campaign for a referendum on the President's rule if there on the President's rule If there was no progress by year end.

The agreement marks a return to opposition unity and poses a challenge to President Roh Tae Woo and his ruling Democratic Justice Party.

OPPOSITION leaders the National Assembly by for-yesterday agreed on a joint mer President Chun, now in strategy to force the South exile at a remote Buddhist temple. They also want three of his aides to step down from their current positions and three others to be charged.

One of the six is Mr Chung Ho Young, a parliamentarian accused of responsibility for the 1980 military killing of 200 people in the provincial city of Kwangju. Mr Chung sald this week that he would not step

His statement has caused problems for President Roh, also a former general, who helped Mr Chun take power in a military coup in 1979. Mr Chun has indicated that he will agree to testify, creating The parties want the Government to arrange testimony at Roh in wrongdoing.

Carmen's gypsy caravan hits the road in Tokyo

Labor attacks spending plan

AUSTRALIA'S Labor government yesterday claimed to have found an A\$835m (£400m) "hole" in the costings of the opposition coalitioo's week-old tax and spending platform for the next election. The accusation, a clear attempt to repeat the devastatarceingt to repeat the devastating exposure of an opposition error ahead of the 1987 poll, was promptly rejected by Mr Andrew Peacock, the coalition leader, and Dr John Hewson, the shadow treasurer.

Bot the beated exchanges signified that the political tem-perature will quickly move to melting point in the event of an early election. A poll is not due until mid-1990; but Mr Bob Hawke, the Prime Minister, has not ruled one out before

The focus of yesterday's war of words was the Liberal and

National Party coalition's con-troversial package of A\$2.7on in spending cuts in welfare, education and Aboriginal affairs, announced last week. The cuts would be used to help families with children through a reduction in the top rate of personel tax, at present 47 per cent, to the 39 per cent corporate tax rate, and a new capital gains tax with a five-year sliding-scale to zero.

According to Mr Paul Keat-ing, the federal treasurer, the cuts are miscalculated to the

tune of A\$835m, the biggest element of which is an alleged A\$450m over-estimation of the savings to be achieved from halting benefits to the unem-ployed after nine months. Mr Keating said the number of jobless who would transfer to a different special benefit

never emerge.
In a further move to discredit the programme, Mr Keating claimed the loss of revchange the capital gains tax change was far larger than the A\$450m opposition estimate because it did not include the "billions" still to be received from realisation of stock market and property grites than the capital still th ket and property gains since In response, Mr Peacock and

In response, Mr Peacock and Dr Hewson yesterday stood by their figures and called the claims "absolute rubbish". They also raised questions about the apparent involvement of government departments in assessing their programmes

Indian opposition chief suffers fresh setback

By David Housego in New Delhi

MR V P Singb, the Indian opposition leader, suffered a further reverse yesterday when Hindu militants rejected his appeal to call off a march that he sees as damaging to opposi-

tion unity.

Last night's decision by the Hindu fundameotalist movement Vishwa Hindu Parishad (VHP), to go anead with its march to Ayodhya oo November 9, deals a severe blow to Mr Singh's bopes of achieving a compromise between the oppo-sition partners on putting up jointly-agreed caodidates against the Congress in next month's general election.

If the march ends in communal rioting between Hindus and Moslems as many fear it will also strengthen the

hands of Prime Minister Rajiv Gandhi in portraying his Congress Party as the guardian of

order and stability.

The VHP decision leaves Mr
Singh with a dilemma. Either
he allows the opposition to be
more closely identified with the militant Hindu movement, in which case he risks losing support from the Moslems and the secular left, or he can dis-tancs himself from them, which will exacerbate his problems of working out seat adjustments with the BJP the main Hindu party in the north.

Mr Gandhi is believed to bave called the election to coincide with the march to beighteo the opposition's diffi-culties in making seat arrangements among themselves,

Today the cigarette factory, tomorrow the world. Larry Klinger on the boom in 'arena opera' WEIRD but wonderful cote will raise the baton and mental equilibrium.

gypsy caravan begins arriving in Tokyo today. When JAL 402 touches down at Narita airport this afternoon, 30 experts on theat-rical production the advance technical back-up for British impresario Harvey Goldsmith's mammoth staging of the opera Carmeo - will hit the ground running.
The caravan numbers in all

about 450, aided by another 200 technicians, predominantly Japanese, who in 72 hours will have put into place, connected, adjusted and touched-np 100 tons of stage-set stretching 20,000 square feet over the Olympic pools of Tokyo's Yoy-Next Friday, if all has gone well, conductor Jacques Delathe first performance of a planned global tour will take place in front of an audience of at least 10,000. Another landmark will have

been reached in "arena opera," that spectacular mass phenomenon which infuriates operatic purists and more than a few professional critics, but which, for the moment at least, is delighting many thousands of people around the world. The staff at Classical Produc-

tions' co-ordination centre in London are undsterred by what they regard as pedantic, élitist criticism. They are deal-ing in mind-boggling statistics: just think of putting together travel and hotel arrangements for 450 people, especially a group not known for tempera-

By Tuesday, a succession of flights will have decembed more technicians and co-ordinators, followed by 50 pupils from the London Oratory School, then 250 sopranos, contraitos, tenors, baritones and bases, and the 70-member National Philharmonic Orchestra.

They have been preceded by 18 containers of scenery, light-ing and sound equipment which, in company jargon, were "floated out to Tokyo", and will be followed by a further couple of dozen international stars, led by José Cardinal Stars, led by Stars, le reras and Maria Ewing (in the principal roles), plus another two dozen dancers, singers and musicians from Paca Pena's Fiesta Flamenca company. Meanwhile, size also sells a

few tickets, attracts sponsor-ship and, therefore, in more than a manner of speaking, pays the rent. The M I Group sponsored the London Carmen and Mitsubishi Electric Corporatioo is sponsoring Tokyo's. Miss Carolyn Soutar, company administrator, has a confident answer for the critics:
"Other companies are still only into having 300 people march on, move around a hit, sing,

and march off. With Carmen, we still have spectacle, but in context and with a story to tell even in intimate detail. That's why we have a \$4.6m budget and are taking the whole ensemble abroad, unlike

others who only ship around some expensive props and a core company, picking up on what's available locally. Tokyo,

and Sydney and Melbourne in April and the US next autumn will get essentially what London got earlier this year."

Tokyo itself where Western opera on a regular basis was introduced by the tenor Fujiwars in 1933 and which has long been a venue for toroing. long been a venue for touring by the world's great houses but has yet to establish its own-has seldom offered more public demand, commercial opportu-nity and sponsorship interest. Opera worldwide has never been more popular, but since Covent Garden's sold-out 1986 tour of three Japanese cities, a boom has been building in Tokyo. In the last four months it have been visited by, among others, the Bayreuth Festival's latest Tannhauser, complete with 300 imported personnel,

and the International Opera Festival's Aids, which played to tens of thousands in the to tens of thousands in the Tokyo Dome, home of the Champion baseball Giants. Carmen's eight performances are sold out, after having added an extra matinée, with Classical Productions now trying to secure permission from safety officials to increase the seating from 10,000 to 12,000. In the longer term, only time will tell whether arena opera is just a fad, although it may be salutary to note that the

just a fad, although it may be salutary to note that the Verona Arena's regular summer opera (which began with an Aida in 1913) has continued uninterrupted, except for breaks to accommodate the two great wars, since it began with performances of Rossim and Donizetti in 1856 and 1859.

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AMERICAN NEWS

San Francisco emergency strains disaster relief

By Peter Riddell, US Editor, in Washington

US FEDERAL resources and disaster relief finance have been stretched by the San Francisco Bay earthquake following other recent emergencies, notably Hurricance Hugo, and both the administration and Congress accept that more money will have to be pro-

The Bush administration has been eager to demonstrate an energetic response to the latest disaster after widespread criti-cism of its slow reaction to earlier disasters this year, includ-ing Hurricane Hugo and the Exxon Valdez oil spill in

President George Bush con-firmed that he would be visit-ing the Bay area today. Speak-ing after hearing a report from Vice-President Dan Quayle and Mr Samuel Skinner, the Transportation Secretary, who returned from the area late on Wednesday, Mr Bush said he would be going "to take a look, to provide encouragment to

people."

He renewed his promise to provide Federal help, saying we will stay on top of it."

Following Hurricance Hugo, which devastated Puerto Rico, the Virgin Islands and parts of the Carolinas a month ago, Congress voted an additional \$1.1bn in disaster relief funds, of which \$273m remains and can be used for immediate expenditure related to tha earthquake.

However, this shm regarded as inadequate. Mr Marlin Fitzwater, Mr Bush'e press secretary, has said, "that obviously means that we won't have enough for all of the emergencies that are now facing us and we will have to con-

sider appropriate requests for follow-on funding. The Federal Emergency Management Agency, which co-ordinates disaster relief, has admitted to being stretched thinly since it still has centres open to deal with the aftermath of the hurricane. Mr Grant Peterson of FEMA

Several aftershocks of Tuesday's earthquake rattled Northern California yesterday morning causing further dam-age in the hadly hit Santa Cruz County area, about 100 miles south of San Francisco.

The largest of the aftershocks registered 4.6 on the Richter scale and occurred at

Richter scale and occurred at 3:14am according to the National Earthquake Information Center in Colorado.

Earthquake specialists who are continuing to try to pinpoint the epicenter of Tuesday's quake yesterday discovered two huge gashes in the earth in the remote Santa Cruz Mountains.

Several homes are reported to be in danger of collapsing into the cracks.

hurricane and the earthquake had given the US its worst pair of nautral disasters in a cen-

There has been criticism of FEMA for acting too bureucra-tically after the hurricane before making payments, but members of the administration have said the response will be more rapid and flexible this

There is general agreement that the response to the San Francisco earthquake by state and local agencies has been considerably helped by tha degree of local preparation and an earlier anticipatory exer-

Moreover, the sizeable num-ber of Pentagon bases in the area has also enabled the military to provide prompt assis-

President Bush yesterday emphasised the work of volunteers - repeating one of the phrases from his election campaign last year in talking about "a thousand points of light." He noted that the Red Cross and other volunteer agencies are responding "not only with alacrity, but with this concern for their neighbours that just exemplifies the best in the volunteer concept."

Earthquake takes toll of the computer age

Damage to data-processing has brought business to its knees, writes Louise Kehoe In Silicon Valley, most of the major factories appear to have escaped serious damage. "We were lucky around here," said

ORTHERN Californian businesses are struggling to overcome the disruption caused by the earthquake. With offices, shops and factories reopening yesterday, the full impact of the earthquake is beginning to emerge.

In San Francisco, much of the financial district which the financial district which houses banks, venture capital groups and the offices of many large West Coast companies, still had no electricity yesterday. For most, that also meant no telephones. There is no word on when services will be restored.

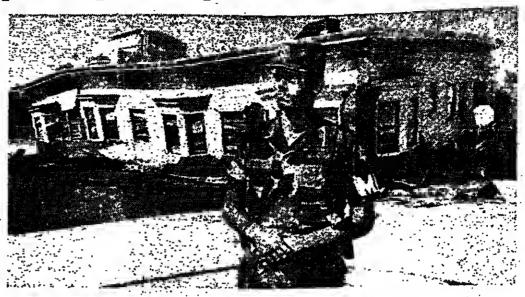
The huge Embarcadero Center office complex remains ed. Lifts are not working

and nobody is being allowed to enter the buildings. Until they do, damage assessment cannot even begin.

Many businesses have been brought to their knees by dam-age to their processing systems. Computer problems are widespread. Comdisco Recovery Services, which provides back-up data

processing services to large corporations, said that seven of its clients in California had "declared disaster" and had transferred their data process-ing operations to recovery

The seven include one major bank, as well as companies in



cessing operations.

transportation and distribution and some manufacturers. All seven are in the San Francisco region, but not in the city, Comdisco said. "We expect to hear from more of our clients when they are able to enter their buildings," a spokesman

Seven more companies have

alerted Comdisco that they have serious problems and

Shops in towns throughout northern California and espe-cially in the hard-hit areas of These companies represent only the tip of the iceberg. Hundreds of smaller busi-Santa Cruz county, have been damaged or destroyed. nesses, which do not have the Offices honsing numerous small businesses in Burlingame, just south of San Franinxury of such back-up ser-vices, face immediate problems

in trying to repair computers and telephones damaged by cisco airport, have been declared unsafe and tenants electrical surges, or physically have been prevented from entering their offices to

an industry spokesman. Even companies that sustained minimal physical damage to their buildings face serious difficulties with communications, data process-

ing and shipment of goods.

Most companies seem to
have recognised quickly that
the problems faced by their employees will also cause fur-ther discription.

Tens of thousands of people

cannot get to work by their normal route. Highways to the north, south and east of the high tech Silicon Valley region are closed and some are expected to remain so for several weeks. With direct arteries cut off, commuters will be forced

off, commuters will be forced to add as much as 50 miles to their drive to work.

At Intel Corporation, Silicon Valley's largest semiconductor manufacturer, production lines will begin to go back to work today, but not all of the communication and of the communication and the communica pany's employees will make it.
"We certainly understand that
if people have problems to deal
with at home, then that must
be their priority," said Ms Pani
Polachi, corporate communications manager, whose own home has been damaged by the

Silicon Valley faces clean-up operation

By Paul Jackson in

San José THE high technology industry in the Silicon Valley, south of San Francisco, has been faced with a huge clean-up opera-tion Silicon Valley is the home of many computer and integrated circuit manufacturers, and several defence contractors. For economic and strategic reasons it was necessary to overcome the disaster rapidly.

Companies in the area face three problems: physical damage to plant, a shortage of staff (heeding police advice to stay home); and restrictions on water and electricity supply.

Reaction to the quake warded. Teledyne and Harrist Microwava Samiconductor outed for a one-day closure. Microwava Samiconductor opted for a one-day closure. Most of the digital electronics industry — Cypress, Intel, AMD and VISI Technology stayed open. VISI, a manufacturer of custom silicon chips, suffered a three-and-a-half

hour power cut. Several factors appear to have lessened the quake's. effects on high-technology manufacturing in Silicon Val-ley First, most buildings in the area have been built to modern enthquake standards; Cypress and VLSI have built their plants within the last five

Second, these manufacturing processes are vibration sensitive and their fabrication areas are built on concrete slabs, iso-lated from the surrounding,

ground. The area close to San Jose has escaped most water supply problems. No restrictions have; as yet, been imposed on semiconductor manufacturers.
These companies have come through remarkably through remarkahly muscathed, but whether they will be able to recover so quickly from another, possibly stronger, earthquake is unlikely, Many companies have moved to Arizona, Texas or offshore (in many cases to take advantage of lower labour and real estate costs). Even so, typically 30-40 per cent of US semiconductor production is still carried out in this area.

For some husinesses, the Brokers see latest losses as turning point for rates

THERE are optimists who think losses in California will be in the \$3hn range and pessimists who speak of \$8hn, said Mr Hady Wakefield, head of North American reinsurance at insurance brokers C.W. Bowring, Patrick Cock-

In the 48 hours since the San Francisco quake the insurance industry has pursued two somewhat contradictory aims: To provide reassurance that the disaster is not so great that they will be mable to meet claims and, secondly, to press the view that the catastrophe is of a magnitude sufficient to end the prolonged depression in insurance

> In the immediate affermath of the quake spokesmen for reinsurance com-panies like Manich Re and Swiss Re, in normal times notoriously uncommuni-cative, were saddenly appearing on Reuter screens with reasoning state-ments underlining the minimal impact

of the earthquake on their reserves.

By yesterday the emphasis in London had switched to emphasising that San Francisco coming on top of Hurricane Hugo and the fall in New York stockmarket is the psychological turning point for insurance prices. "No more rate cuts, no more three-year deals, said one Lloyd's underwriter yesterday. Given the desire in the market to see insurance wemiums so un after a two insurance premiums go up after a two year slump, actual physical losses and the proportion of these which are

insured is difficult to estimate. Numerous insurance industry and government studies on the effect of an earthquake in California had generally assumed a more devastating quake

assumed a more nevasiming quake than in fact occurred. For instance a study in December 1988 by the All-Industry Research Advi-sory Council of a quake measuring 7.5 in the Richter scale beneath Los Augeles in 1990 forecast \$14.6bm insur-

ance losses for general liability and worker's compensation and total insured losses close to \$50bm.

The high figures stem partly from the presumption that, as in San Francisco in 1906, a future earthquake would be followed by a fire which, unlike quake damage, is always covered by insurance regardless of cause and is therefore of great concern to insurers. In fact the final figures for insurance

losses in San Francisco will be much smaller than these forecasts. Damage to highways will be paid for ultimately by the US tax payer. Fire damage in the Marina district near Fisherman's Wharf was extensive but does not appear to involve a large mamber of

buildings.

Belief that insurance losses will be high depends less on physical damage than the argument that prolonged interruption of business will prove

very costly. For instance two week's shut down of plant in Silicon Valley will cost an estimated \$3hn-4hn. Given that these losses are still going on, the final bill is impossible to estimate, but it will be high. Underlining this point one insurance broker yesterday pointed out that the cost of the Piper Alpha Platform in the North Sea was \$400m. Platform in the North Sea was \$400m.

Platform in the North Sea was \$400m, but the one 20 per cent partner in the platform who had interruption of leastness cover was paid \$450m.

Will the San Francisco qualce be the turning point for insurance raies? Brokers and underwriters at Lloyd's argue that it comes as the final straw in a space of cotastrophen and in a Harriseries of catastrophes such as Harri-cane Hugo, which caused \$2.5km dam-age in South Carolina alone. Certainly the London excess of loss market code number for the earthquake — GAT.

Sew — brings the coding system closer to the end of the alphabet than ever

Sandinistas condemn US for funding rivals

fund the opposition's electoral

campaign. An emergency session of the National Assembly was convened on Wednesday evening to discuss the \$9m funding package. At least \$2m of this is intended for the campaign of Mrs. Violeta Champeron, the Mrs Violeta Chamorro, the main opposition candidate who leads an 11-party National Opposition Union (UNO) alliance. The President of the Assembly, Mr Carlos Nuñez, said the funding "will distort the electoral process".

Bomb attacks

on politicians

in El Salvador

THE HOMES of two prominent leftist political leaders in El

Salvador were severely dam-

aged by bombs yesterday, AP reports from San Salvador.
The attacks were made on the houses of Mr Ruben

Zamora, a leader of the Demo-

cratic Convergence, and Mrs Aronette Diaz, vice-president of

the Nationalist Democratic

Mr Zamora, who returned to El Salvador in 1987 after eight years' exile following the kill-ing of his brother, Mario, sald

his two bodyguards were wounded by the explosion at his front door.

Mrs Diaz, widow of Mario Zamora, lives next door with ber two sons. Three grenades

exploded on her roof and right

in front of her house moments before the bomb went off at

Mr Zamora is a leader of the Democratic Revolutionary

Front, a leftist organisation allied with leftist rebels fight-

ing against a succession of US-backed governments. He said

the bomh attacks were "intended to impede a political

her brother-in-law's door.

finance political interference in the electoral affairs of another sovereign state Even the UNO itself seems

A group of seven other oppo-sition parties are complaining that the US funding to UNO will unfairly prejudice their own chances in confronting An editorial in the ruling the Sandinistas at the polls

AN accelerated withdrawal of American military dependants from Panama is being consid-ered by the United States gov-

ered by the United States gov-ernment, AP reports from Washington.

The White House said that since last spring, 6,300 Defence Department personnel had either been relocated onto US bases in Panama or sent home.

But there are still roughly

11,000 dependents in the coun-

try. The Washington Times

reported yesterday that the newly-appointed US military

commander in Panama, Gen

Maxwell R Thurman, had asked his superiors to evacuate

most of the dependents from

The newspaper, citing mili-tary sources, said Gen Thur-man wanted the dependents evacuated to heighten the

sense of war among his troops

in Panama, where the United

States has pressed for the removal of General Manuel

Antonio Noriega. Gen Noriega, chief of Pan-ama's Defence Forces and the

power behind the government,

was the target of a failed coup on October 3 that received min-

THERE has been a sharp Sandinista party newspaper and are calling for a reform to opposition trade union move-condemnation in Nicaragua of said the US move is "unprecette electoral law which presents, opposition radio state." parliament should be considerto political parties. Under the law, 50 per cent of any donaing and deciding upon how to tions over \$20,000 must go to the Supreme Electoral Council (CSE) to help finance the cost

imal support from US forces. The US had been asked by the

rebels to use its troops sta-

tioned in Panama to keep reinforcements from reaching Gen

Nortega, and US troops eventually were deployed along some key access routes.

Since Gen Norlega was

indicted in February 1983 on charges of smuggling drugs into the United States and

laundering drug money, Washington has been applying eco-nomic sanctions and other

pressures on Panama to force him out.

reviewing whether the with-drawal of dependents should be accelerated, a White House

The administration was

okesman said. "We have been reviewing

this matter since the spring,

and we announced a pro-gramme in May which called for the return to the United

States of many of the depen-dents in Panama," he said.

At present, he said, the US has 10,000 soldiers permanently assigned to Panama, 2,500 mili-

tary people on temporary duty, 7,700 military dependents, 2,700

US civilian employees and

3.300 civilian dependents.

divided over the issue. One of its leaders, Mr Aifredo Cesar, a former Contra, told foreign journalists recently that it did The US finance package will give \$2m to UNO, \$2m to the CSE and a further \$5m will be channelled through the National Endowment for Democracy (NED). It is the final destination of the 55m not want any US funding. part of the package which appears to be upsetting the Government the most. In the

US may speed pull-out of

dependants from Panama

Prensa, belonging to Mrs Cha-morro. It is still unclear how the latest \$5m will be used. The National Assembly

passed a motion of censure and declared itself "in permanent session" to consider further measures that may be taken to stop the funding reaching the opposition. If the Sandinistadominated Assembly should decide to reform the electoral law, blocking overseas finance, the risk of abstention by the opposition in next February's elections will be greatly past the NED has financed

ministers split on VAT change By Gary Mead in Buenos Aires

Argentine

SENIOR members of President Carlos Menem's government Carlos Menem's government are divided over proposals to increase and reform Argen-tina's value added tax (VAT). The proposals, to be put to Congress today, follow talks with the International Monetary Fund. An IMF official, Mr Vito Tanzi, has been in tonch with the Menem government since it took office in July. Earlier this month officials suggested VAT would rise to 15

per cent and be extended to all goods and services. But the proposal now before Congress is to levy VAT at 13 per cent, and to give the gov-ernment power to adjust the

rate to 10.4-15.6 per cent.

The economic team, in particular Mr Nestor Rapanelli, the Economy Minister, seems to have bowed to infinential businessmen and farmers, especially grain producers. President Menem has called on farmers to increase sowing by 20 per cent this year, in a drive to increase Argentina's trade

surplus. This week the proposal to extend VAT was attacked by Bunge and Born, one of Argentina's oldest and largest grain dealers. This powerful multinational transmission both are according to the control of the proposal to the control of tional has provided both of President Menem's Economy Ministers. Mr Rapanelli, formerly vice president of Bunge and Born, has denied that the company's criticism of the VAT measures was behind the changes to the proposals. In its criticism Bunge and

Born suggested that VAT eva-sion undermines its usefulness, and proposed a sales tax.
The implication of the tax reform tussie is that Presiden Menem's efforts to reform his country's fractured economy depend on an unstable alliance of various sectors. This month has seen the crumbling of his trades union support. If large

companies such as Bunge and Born – until now fully behind him – reconsider their posi-tion, his control over govern-ment will appear weakened. Menem grants more pardons

Argentine President Carlos Menem has pardoned seven former guerrillas and three military officers involved in

Brazil's socialist candidate By two Dawnay and John Barham till Rio do Janetrost target - by a still street age and grant

THE IMPRACHMENT this. week of Brazil's best-known crusader for clean local government is threatening to under-mine her party leader, Mr Leo-nel Brizola – the veteran

socialist running second in the race for the presidency. The fate of Mrs Regina Gordilho - until Tuesday the pres-ident of Rio de Janeiro's cor-ruption-riddled city council - has split Mr Brizola's Democratic Workers' Party (PDT)

and provided powerful ammunition for his opponents. It also aptly symbolises the difficulties of those committed to fight the nepotism and graft that permeate all levels of Bra-

zilian government.
All 22 candidates in the

All 22 candidates in the country's first free presidential poll for 29 years — due to begin next month — are promising to rid the country of corruption.

But few are believed.

Mrs Gordilho, a 54-year-old businesswoman, was widely trusted for the years present trusted for the very reason that she entered politics as an amateur. She came to national prominence for her tireless campaign to prosecute five policemen who killed her son, Marcellus, when arresting him in still-unclear circumstances

While the police were merely reprimanded for being over-zealous, Mrs Gordilho's battle with the establishment won her a council seat for the PDT. Recognising her cross-class appeal, Mr Brizola – much of whose powerbase lies in Rio's



Crusader's downfall blow to

Leonel Brizola: dilemma

populist politics - promoted her to council president.
Once in office, she immediately proceeded to unearth widespread corruption, includ-ing hundreds of illegally hired civil servants and a network of graft implicating officials and councillors, including several from the PDT.

Ignoring death threats, Mrs Gordilho dismissed more than 400 employees, and, facing opposition from other council-lors, initiated a citizen's criminal prosecution of those alleg-ediy involved in irregularities. Last month, a cross-party coalition launched impeachment proceedings, claiming Mrs Gordilho had exceeded and Gordilho had exceed week, sed her powers. This week, in a tumultuous secret session, the council removed her from

office in a 29-to-2 vote amid jubilant singing of the national anthem by a mob of council On Wednesday, her support

ers attempted to storm the council chamber in her defence, hurling coins and banknotes through the locked gates in Brazil's traditionalgesture of disgust at government corruption. The dramatic events, which

have had innumerable parallels in other municipalities across the country this year, have left Mr Brizela in a

(Opt cut) Long accused by rivals of having run his governorship of Rio state on Tammany Hall lines, he is now considering ousting from the party the five PDT councillors who voted for Mrs Gordilho's sacking. But that would alienate large sections of his party organisation (end opt cut)
Today Mr Brizola is scheduled to hold his largest rally yet in the presidential cam-

paign before voting begins on November 15. Unfortunately for him, it is due to end up outside the Rio council cham-ber, where the honesty of his councillors has been placed in doubt

But the Gordilho case also reflects poorly on the entire Brazilian political class. Her story goes some way to explaining the low esteem in which politicians are held by the country's increasingly embittered electorate.

Salinas claims rise in growth By Richard Johns in Mexico City

MEXICO'S economy is now

expected to grow by 3 par cent in 1989 compared with the offi-cial projection of 1.5 per cent made at the start of the year, according to President Carlos Salinas de Gortari.

Speaking to union leaders he said that the expansion would exceed the increase in population - estimated at 2.1 per cent - and "places the country on the path toward creation of new jobs demanded by all Mex-

Addressing a meeting of the National Assembly of Univer-sity Workers, Mr. Salinas accepted the legitimacy of their demand for better working conditions but warned that high pay settlements were incompatible with the contin-ued policy of lowering inflation and economic recovery.

His reassurance came amid growing pressures for wage rises far in excess of the 6 per cent laid down as the minimum rate in the August-March period and calls from business

for selective unfreezing of prices. During the first half of 1988 the economy grew at a rate of 2.9 per cent compared with the same period last year, according to the Bank of

While government spending has remained stagnant during the past 20 months, gross capital formulation rose by no less than 9 per cent in the first half of 1989, providing the main engine for growth, it says.

Mr Ernesto Zedillo Ponce de Léon, Minister of Planning and the Budget, commented with some caution earlier this week that the development of the economy so far this year "has been very favourable and the perspectives are good allowing for a reasonable optimism". In official circles, however,

there is concern about the danger of a build-up of inflationary pressures, not the least as a result of the higher expectations of the resumption of growth this year after six years

of stagnation, and a 40-50 per

cent decline in real incomes. Inflation during the January-August was 11.5 per cent, or at an annualised rate 16.9 per cent, according to the official consumer price index of the Bank of Mexico. Bank of Mexico. Last month the Government

conceded price increases of 11 per cent for electricity for consumers using more than 200kwh per month and 28 per cent for soft drinks.

Prior to the monthly meeting yesterday of the Follow-up Committee for the Pact for Economic Growth and Stability (PECE), Mr Fidel Velásquez, veteran leader of the Confederation of Mexican Workers, called for wage increases

ation of Mexican Workers, called for wage increases.

He demanded an urgent meeting of the National Commission on Minimum Wages, while Mr Jorge Sanchez, secretary-general of the Mexican Union of Electricians paid that Union of Electricians, said that the lahour movement should take a more radical posture" dand exact the proper fulfil-ment of the pact."

Bush rebuffed over flag-burning

By Peter Riddell, US Editor, in Washington

PRESIDENT George Bush yesterday suffered a rebuff from the Senate over his highprofile attempt to secure an amendment to the US constitution banning the hurning and desecration of the American

flag.
The Senate voted only 51 to 48 in favour of the proposal, well short of the two-thirds majority required for a consti-

tutional amendment. Mr Bush has sought to make considerable political capital

out of the flag issue since the Supreme Court raled in the nmer that a protester who burned the flag at the 1984 Republican convention was exercising his rights of free Democratic leaders have

argued that a constitutional amendment is unnecessary and a statute to protect the flag like the one approved by Congress last week is suffi-

Mr Bush and the Republican

leadership have argued that a more specific prohibition in the constitution is necessary. While not vetoing the law, he has not signed it.
Some Democrats initially

feared that the Republicans would used the political sym-bolism of the flag against them in next year's elections, but public and political opinion appears to have swung away from a constitutional amendment in the last couple

Cheney to visit troops in Europe, Australia

US Defence Secretary Dick Chaney will mix diplomacy with visits to US troops overseas in a three-week trip to five European allies and Australia

beginning on Sunday, Renter reports from Washington.
The trip to France, Portugal, Britain, West Germany, Italy and Australia gives him a chance to hold bilateral talks with other defence ministers and visit US troops in Britain, Germany and Italy, a Defence Department spokesman said. Mr Cheney, who has been battling with Congress at home

over the 1990 defence budget

will be making one of the lon-gest tours by a US defence secretary in years. He will arrive in Paris on Sunday for talks with Mr Jean-Pierre Chevenement, the Defence Minister, and will return home on November 10 at the end of US-Australian

policy meetings in Sydney and In between will be stops in London, Frankfurt, Bonn, Berlin and Rome and next week's Nato Nuclear Planning Group (NPG) meeting at Vilamoura,

Portugal.

"I'm sure that a lot of regional issues - such as the touchy subject of too many military aircraft practising at low-altitude over West Ger-many - will come up in the bilateral talks," said one US defence official. Mr Cheney and Atlantic alli-

ance defence ministers are expected to discuss conventional and nuclear arms control matters. Mr Cheney will visit US Air Force personnel at RAF Mildenhall in Britain, American troops stationed in West Ger-

many and will fly from Rome

to a US aircraft carrier in the Mediterranean.

the 1970s "Dirty War", Reuter reports from Buenos Aires. Human rights groups and opposition parties plan to demonstrate today against further pardons for six former military leaders and a former guerrilla leader jailed for murder and

UK NEWS

Hurd announces inquiry into Guildford case

FOLLOWING the decision by the Court of Appeal to quasi the convictions in the IRA bombings case Mr Douglas. Hurd, the Home Secretary, told the House of Commons that a judicial inquiry will be held into the circumstances leading to their wrongful imprison-

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It will run simulataneously with en criminal investigation set up this week by Mr Allan Green, QC, the Director of Public Prosecutions. This will investigate whether there is sufficient evidence to justify prosecuting any of the police officers involved.

Last night three of the Guildford Four, sentenced to life imprisonment in 1975 for the Guildford and Woolwich pub bombings were experiencing their first teste of freedom in almost 15 years. The fourth member of the group, Mr Paul Hill who is also

serving a life sentence for his part in the murder of a former British soldier in 1974 was on his way to Belfast where his case for early release will be examined by the authorities under the normal review of life Mr Hurd said that of the three officers concerned who

are still in the police service two have been suspended and another is in hospital. The inquiry into the bombings would also be reopened, he said. It was likely that this would involve a re-examination of the evidence of the four members of the IRA active service unit arrested after the 1975 Balcombe Street siege.

Balcombe Street gang as "a cunning and skilful attempt to At their trial in 1977 on a series of bombing charges, they gave evidence that they had been responsible for the bombings of the Horse and Groom and Seven Stars pubs in Guildford, Surrey and the Kings Arms in Woolwich,

been set but it could take more than a year to complete if it had to be adjourned because of criminal proceedings.

Last hight those who had campeigned on behalf of the Guildford Four were delighted by their release. Cardinal Basil Rume, The Archbishop of Westminster who had been at south-east London, in which seven people died and more than 80 were injured. When reviewing the case of the Guildford Four later that year the Court of Appeal rejected the evidence of the

deceive the court by putting forward false evidence". Mr Hurd said the judicial inquiry, which will be headed by Sir John May, the former Appeal Court judge, will also investigate circumstances leading to the 1976 trial of the Maguire family for possession of explosives. No timetable has

Westminster who had been at the Old Balley for the hearing said: "I have been convinced since 1978 of their innocence and I am very happy indeed to know that their innocence has at last been established. I only wish that the due processes of law could have resulted in this happening sooner".



Left to right: Michael Havers, Sir Norman Skelhorn, Lord Justice Roskill, Peter Matthews

Report casts doubt on honesty of IRA case police By Robert Rice, Legal Correspondent

THE convictions of the three Irishmen and one English woman jailed for the 1974 Guildford and Woolwich puh bombings were quashed yester-day by the Court of Appeal. Lord Lane, the Lord Chief-Justice, and two other appeal.

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court judges made their decision after hearing how police officers who gave evidence at their trial in 1975 altered notes of interviews, suppressed sig-nificant matters and gave false evidence.

Mr Roy Amlot QC, for the Director of Public Prosecutions, said that since the Home Secretary's decision in January to refer the case back to the Court of Appeal, evidence of great significance had come to

The evidence threw "such doubt upon the honesty and integrity of a number of the Surrey officers investigating this case in 1974 that the Crown now feels unable to say that the convictions of any of the four are safe or satisfac-

tory."
Mr. Patrick Armstrong, Mr.
Gerard Conlon, Mr. Paul Hill and Ms Carole Richardson. received life sentences at the Old Bailey in October 1975 for the bombings of the Horse and Groom and Seven Stars pubs in Guildford, Surrey and the Kings Arms in Woolwich, sonth-east London, in which

seven people died and more than 80 were injured. The pubs were frequently used by Army

The evidence uncovered by Avon and Somerset police would have contaminated the prosecution case at the original trial, Mr Amlot said. It was crucial in a case which "depended entirely on the con-fessions and particularly on the integrity of the officers tak-

Mr Amiot told the court there were many discrepancies between the accounts given to Surrey police by all four defendants on Guildford and between statements made on the Woolwich bombing. The Crown's case was that

the defendants had either deliberately misled the police or minimised their roles out of self-interest.

In 1977 the four made an application to the Court of Appeal for leave to appeal. The issues at the hearing arose out of evidence given by three members of the IRA active service unit arrested after the Bal-

They said at their trial that they had carried out the Guildford and Woolwich bombings. All had been convicted of an appalling catalogue of murders, shootings and bombings and all claimed that the Guild-

ford Four had nothing to do with either bombing. If they were right, the confessions made by the four were false,

Mr Amlot said. At the appeal hearing, the Crown did not challenge that Joseph Connell, one of the Balcombe Street gang, may have participated in Guildford or that three of them may have participated in the Woolwich

Having assessed the evidence of the Balcombe Street defendants, the Appeal Court decided there was no reason to impugn the integrity of the confessions made by the Guild-ford Four to the Surrey offi-

Turning to the investigation carried out by Avon and Som-erset police at the request of the Home Secretary in 1987, Mr Amlot said it was necessary to emphasise that they were not originally asked to investigate the behaviour of Surrey officers or the circumstances of the detention and interrogation of the four in 1974.

After the Home Secretary had referred the case again to the Court of Appeal, Avon and Somerset officers started a close inspection of the vast amount of documentation generated by the Guildford case, the Balcombe Street case and the application to the Appeal Court in 1977. All were likely to feature in this second

appeal. Close scrutiny of all the papers only became necessary after the referral to the Court of Appeal this year, and Avon and Somerset officers discovered rough draft notes of each of the three interviews withone of the accused.

The notes were typewritten with a large number of alter-ations in manuscript and had heen identified by the three Surrey officers concerned. "In their altered form they match almost word for word the manuscript notes of the inter-views used by the officers in the trial," Mr Amiot said.

At the trial the officers claimed that the manuscript notes were made contemporaneously during each interview, but if that was so it was difficult to see why draft notes were ever made.

It was impossible to say why the draft notes took the form they did, unless they were made before the manuscript notes. If they were, the manuscript notes could not have been made during the inter-

The officers concerned could not offer a satisfactory explanation, he said. The inescapable conclusion was that no

contemporaneous notes were made of the interview.

The Crown now says that

not only did all three officers involved in the interviews mislead the court, but because of the notes, preparation and statements they gave, they clearly agreed to present their notes in this fashion, Mr Amlot

> Mr Amlot said it was clear that a full criminal investigation of these matters was called for. "Whatever such an investigation might ultimately reveal, it has become necessary for the Crown to assess its atti-tude to these appellants in the light of this material recently

It was the view of the Crown that newly discovered inter-view notes "show clear prima facle evidence that a total of five officers seriously misled the court in relation to two of the four appellants." In the trial the prosecution suggested the version of events given by Mr Patrick Armstrong, one of accused, could be regarded as the most true among the substantially different accounts given by the defendants.

Therefore it was inevitable that evidence which affected Mr Armstrong's confession must affect the case as a whole, he said.

BANKERS AT THE MANSION HOUSE

SE chairman calls for outside support for settlement system

By Richard Waters

THE Stock Exchange cannot solve the problem of developing a new settlement system for the London equity market without ontside support, Mr Andrew Hngh Smith, the Exchange's chairman, said last night. night.
The improvement of the system is the "most pressing need" facing the exchange if it

is to maintain its leading posi-tion in the trading of interna-tional securities, he said.
"We need the co-operation

and assistance of all parties involved, and all parties need to show vision and persis-tence," he added. "These pro-jects are vital to the future of our securities markets and unless we can make them move rapidly ahead our hard won international leadership will be at serious risk." Alluding to the volatile state

of world stock markets at the start of this week, Mr Hugh Smith said the performance of the UK equity market during the npheaval gave comfort, "certainly when measured against that of other European

Mr Hugh Smith expressed his unease about the use of cir-cuit-breakers, which cause a suspension of trading at times He warned that the UK was

impose a brake on progress in Europe and instead should put forward workable alternatives.

The first phase of Taurus, the Stock Exchange's paperless settlement system, will be implemented on 23 February, it was announced yesterday. This will link institutional investors electronically into the Exchange's existing Institutional Net Settlement system. This is the first, limited phase of a development which is intended eventually to automate the settlement of share bargains. The design of the

main part of the system is still

too often seen as trying to

Lawson and Howe repudiate Walters' criticism of EMS

By Ivor Owen, Parliamentary Correspondent

Chancellor of the Exchequer, was joined by Sir Geoffrey Howe, the deputy Prime Minister, in the House of Commons yesterday in rejecting criticism of the European Monetary Sys-tem expressed by Sir Alan Walters, chief economic adviser to Mrs Margaret Thatcher, the Prime Minister.

Taunts from the opposition
Labour front bench led to the
double barrelled repudiation of
Sir Alan's assertion that the
EMS was "half baked" and that arguments for its exchange rate mechanism had "never attained even a minimum level

of plausibility."
With Mrs Thatcher in Kuala
Lumpur for the Commonwealth Conference, it fell to Sir Geoffrey to respond when Mr Neil Kinnock, the Labour leader, underlined Sir Alan's claim that the Prime Minister concurred with his view of the

Again emphasising earlier reports of differences between the Prime Minister and Mr Lawson over sterling's inclusion in the exchange rate mechanism, Mr Klunock asked if Sir Geoffrey expected her to repudiate her chief economic adviser or her Chancellor.

Sir Geoffrey replied that Sir Alan's advice was one of the factors taken into account by the Prime Minister and the rest of the Government.

He stressed that the policy of the Government was stated by people speaking on its behalf. Sir Geoffrey said that both the Prime Minister and the Chancellor had articulated policy in "precisely the same terms" and would continue to. Mr Kinnock asked if Sir Geoffrey was saying that Sir

MR NIGEL LAWSON, the Alan had not told the truth when he said that the Prime Minister agreed with his view. Amid derisive laughter from the opposition benches, Sir Geoffrey retorted that he was not required to answer for

"every nuance."
He reaffirmed that the Prime Minister's view had been reiterated by both himself and Mr

The Chancellor had earlier told Mr Gordon Brown, a Labour Treasury spokesman that Sir Alan's view of the EMS was "clearly not the view of the Government."

Mr Lawson said the Prime Minister had made it clear that the Government was "commited fully" to joining the EMS as part of stage one of economic and monetary union.

Mr Brown had kept np the pressure on the Government front bench by contending that the House was entitled to know whether the Chancellor or Sir Alan was in charge of economic policy, and who ought to make the Mansion

House speech later in the day. Opposition MPs launched further protests about the hardship which high interest rates were imposing on home buyers.

Unease among Government members on this issue was reflected by Sir Anthony Grant, a Cambridgeshire MP.

of the 1922 committee of Conservative MPs, Sir Anthony urged the Chancellor to pursue the quest for an alternative to the "crude" instrument of high interest rates, which bore very cruelly on small businesses and home owners.

Leverage · worries **'unjustified** in Britain'

By David Lascelles, **Banking Editor**

WORRIES about high leveraged finance — one of the suspected causes of this week's crash on Wall Street - were not justified in the UK, according to Mr Robin Leigh-Pember ton, Governor of the Bank of

He told the Mansion House He told the Mansion House dinner last night that, as hanking supervisor, the Bank's concern was with the effect of highly leveraged deals on banks which supply the hridging or longer-term finance which made them possible. This could bring banks up against the limits on large exposures.

But the Bank believed that "in practice the loans have been so structured and distribnted as to give us no concern on this score,"

He said he was not opposed to high risk, or "junk", bonds in principle, provided those who invested in them satisfied themselves that they were being adequately rewarded for the risk. Even though there had been few junk bond deals in the UK, this did not immunise the London market from the shocks on Wall Street.

The Bank was continuing to monitor the exposure of banks to high risk transactions, he said, particularly those which were valuerable to developments, like a rise in interest rates, which affect a lot of borwent on: "I can say that this exposure too is still at present below the level that might

turn on a danger signal." The Governor's reassurances, which were strongly stated, were in sharp contrast to the concerns he voiced last week about the level of bank lending to the property sector, suggesting that property loans are currently the Bank's chief

preoccupation.
Mr Leigh-Pemberton welcomed moves by the Securities and Investments Board and the Department of Trade and Industry to reduce the cost of regulation in the City. But he warned that the authorities would have to strike a balance between protecting investors and controlling the cost of reg-ulation to financial firms.

He also praised Mr Andrew Hugh-Smith, the chairman of

the Stock Exchange, for pursu-ing improvements to the exchange's settlements systems and dealing rules. Together with other initiatives to improve the City's infra-structure, including the money markets, he said these would be essential in maintaining London's position as the pre-eminent financial centre in its time zone.

Test case judgment in magazine libel case

By Robert Rice, Legal Correspondent

PRIVATE EYE, the satirical magazine, yesterday won its appeal against the record £600,000 libel damages awarded to Mrs Sonia Sutcliffe, the estranged wife of the murderer known as the Yorkshire Rip-

per. The damages were awarded. by a High Court jury in May to Mrs. Succlifie, whose husband Peter was jailed for life in 1981, after being convicted for his involvement in a string of 13 murders in a four year period in the north of England. The Court of Appeal led by Lord Donaldson, the Master of the Rolls, dismissed the maga-zine's appeal on the question of liability and its application for

But it ordered that the jury's verdict on damages should be set aside to be reassessed by a new jury, unless both parties were now agreed that the Court of Appeal should reas-sess the size of the award. Mrs Sutcliffe had already indicated to the court that she

was prepared to allow it to reassess damages if the appeal went against her, but this had been opposed by Private Eye. Mr Gavin Lightman QC, for Private Eye, told the Court yesterday, however, that the mag-azine was now happy for the Appeal Court to reassess the

This will give the Court of Appeal the opportunity to set down guidelines to be followed

by High Court judges in future when directing juries on the appropriate level of damages in

libel cases.

Mrs Suicliffe, 38, was not in court to hear the decision. The High Court jury had awarded her the record libel damages, £575,000 of which were immediately stayed pending the outcome of the appeal, over allegations made in the magazine's "Street of Shame" column in January 1981 and repeated in January 1981 and repeated in February 1983 that she had, negotiated with the press to sell her story and was prepared to capitalise on her husband's notoriety.

Private Eye had asked the court for a retrial-both on lia-bility and damages-because of new evidence provided by Mr Oliver Duke, a former boy-friend of Mail on Sunday journalist Ms Barbara Jones.

His sworn statement that he took part in a scheme to get £25,000 to Mrs Sutcliffe from the Mail on Sunday "in a roundabout way" justified "the sting" of what was published,

the magazine claimed.
Lord Donaldson said Mr Duke's evidence, if accepted, cast a flood of light upon the honesty and journalistic stan-dards of the Mail on Sunday, but was quite irrelevant to the issues in the action unless Ms Jones was prepared to swear that Mrs Sutcliffe knew that a newspaper was the source of the £25,000 loan.

On the size of the award, he said it was not open to Private Eye to argue that it must be excessive because it was "far far higher" than personal injury awards.

Parliament had decreed that juries - not judges - should assess libel damages. Juries were free to give effect to "gut reaction" to an extent which judges were not.

Lord Donaldson said he also could not believe that the jury appreciated the true size of the award they were making. "What is, I think, required is

some guidance to juries in terms which will assist them to appreciate the real value of





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Unit wage costs higher as productivity deteriorates

The Government has

expressed its concern on many

occasions recently about the

impact of rising wage settle-ments on inflation, and how high wage costs undermine the competitiveness of British industry. Yesterday's figures

showed that unit wage costs in Britain are rising faster than in the US, West Germany, France and Japan.

The news on underlying

earnings was more positive. It

showed that the annual growth

rate of average earnings was unchanged in August at 8% per cent. City of London ana-lysts had been expecting earn-ings to rise in August.

Average earnings growth in July was a revised 9 per cent, but since then the Department

of Employment has recalcu-

lated the average earnings index to take into account the

results of the 1987 employment

current 7.6 per cent

By Patrick Harverson, Economics Staff

UNIT wage costs rose sharply and productivity continued to deteriorate in the three months to August, according to official figures yesterday, indicating that wage-inflationary pres-sures in the British economy have not abated.

The Department of Employment said that wages and salaries per unit of output in the manufacturing sector grew at an annual rate of 4.6 per cent in the three months to August, compared with 3.9 per cent in

July.

At the same time, the growth in manufacturing output per head fell from 6.3 per cent to 5.4 per cent in the last quarter. For the whole economy, the annual rate of productivity growth rose by 0.7 per cent in the second three months of this year, the lowest rate for more than four years. Both sets of figures were

Both sets of figures were regarded by analysts as further evidence that cost pressures from the labour market have not eased. The fact that production of the cost ductivity increases have not been sufficient to offset rising wage costs will undermine attempts by the Government to bring down inflation from its

census and the growth in new service industries in Britain. The number of firms sampled has also been increased by 1,000 to 8,000 and the index

However, underlying earn-

ings growth is regarded by the Government and analysts as still too high. It is expected to rise further in coming months as the big wage settlements negotiated this summer feed

through into the index.
Mr Adrian James, UK economist at County NatWest, fore-cast that the recent wage rises negotiated by local authority employees and the polica would push annual average earnings growth up to 9 per cent next month.

Productivity in the whole economy was 0.6 per cent lower in the second quarter of this year compared with the first quarter. Part of this decline was attributed to the effects of the Piper Alpha oil platform disaster in the North Sea and other oil industry interruptions. These are are estimated to have reduced the increase in productivity by about one percentage point in the first six months of 1989. In the manufacturing sector the long-term trend in produc-tivity remained downward in August, although there was a small rise on the mouthly com-

London heliport planned for 1992

UK NEWS

By Paul Betts, Aerospace Correspondent

A CONSORTIUM including Midland Bank, the Hanson Group, Trafalgar House, BAA and the Carroll Group, will seek planning permission next month to build a £10m heliport in the heart of the City of Lon-

The promoters hope to complete construction of the helicopter landing site on an ele vated deck on the Thames close to Cannon Street Station by 1992 to take advantage of the single European market.

The project is expected to

face fierce opposition from local residents and environmentalists. A few years ago, opposition from residents forced the closure of a helicopter landing site nearby.

City institutions appear intent on intensive lobbying for the proposal, which they see as giving faster and more direct access into the capital's

financial centre.

Sir Kit McMahon, the Midland Bank chairman, said yesterday he had asked firms to
support the plan and had
received £250,000 backing for

the project.
Sir Gordon Booth, a director of the Hanson Group said there was "a formidable economic case" for a helicopter airport in the City. A new heliport was "an essential business tool" in the City's struggle to compete with other major international financial centres which already

had such facilities. Consultations by planning anthorities are expected to take four or five months and, if approved, the consortium hopes to start construction in mid-1990 and have the heliport ready for operation in early 1992

Only two helicopters meet the required performance stan-dards for the heliport the Twin Squirrel and the Dau-phin, both manufactured by phin, both manufactured by Aerospatiale, and the French state-owned aerospace group. The promoters of the project said they expected four additional types of helicopters to have qualified by the time the heliport becomes operational the Sikorsky S76, the Augusta 100 the Ballour 105 and the 109, the Bolkow 105 and the

Government warned | Aid funds power sell-off will fail to meet deadline

By Maurice Samuelson

THE COVERNMENT was warned yesterday that without further basic adjustments to its electricity privatisation propos-als the sell-off of the industry was unlikely to be completed by the next general election. Dr Dieter Helm, director of

Oxford Economic Research Associates, issued the warning in London at an electricity privatisation conference organised by the Confederation of British Industry, the employers' organisation.

ers organisation.

His remarks were in stark contrast with the confidence of Mr John Wakeham, Energy Secretary, who opened the conference, that the sell off would be completed on schedule. be completed on schedule within the lifetime of the present parliament, "as this Gov-ernment had always intended." Dr Helm, predicting further substantial changes in the pri-

vatisation proposals, cautioned his audience, which included representatives of some of the country's biggest electricity purchasers, against entering private energy contracts with generators on the basis of the contractual package announced by Mr Wakeham

The Waksham contracts package was also criticised by Mr Michael Gibbons, chief energy purchaser of Imperial Chemical Industries, who described the 15 per cent limit on direct sales by generators as "the most glaring example of unworkability".

The two hig generators, PowerGen and National Power, rallied to Mr Wakeham's defence, hed to Mr Wakenam's delence, however. Mr Ed Wallis, Power-Gen's chief executive, said privatisation had already unleashed competitive forces and that by next year more competition would exist in the

competition would exist in the British electricity influstry than anywhere else in the world, including the US.

Mr Robert Robinson, National Power's head of sales, said that despite the disappointment of customers about the way competition would be phased in, "we must not lose sight of the objective to introduce competition". duce competition".

The decision had been taken

and it was now up to suppliers and customers to make it work - not to allow the concept to fall, leaving us with the old world of monopoly sup-

programme attacked as immoral

By Martin Wolf

THE USE of sid funds to save trees rather than people is immoral Professor Deepak Lal, said yesterday, in the 20th Wincott Lecture given in Lon-

don.
In a condemnation of "eco-imperialists," Professor Lai also attacked as immoral the imposition on poor countries of western ideas of "sustainable development" which would reduce their economic growth. The arguments for both international co-operation over the environment and interna-

the environment and international macroeconomic co-ordination were "deeply flawed."

Professor Lal's discussion of environmental co-operation is scatching. While there is a theoretically valid case for intervention in terms of the so-called "tragedy of the commons," it is empirically feeble, he asserts.

The "hysteria," which Professor Lal identifies over the greenhouse effect and the ozone layer follows hard on that about the world food shortage in the 1970s. It may, he says, be no better based.

First, there is no clear relation between greenhouse gases and climate. Some reputable scientists argue the earth is

and climate. Some reputable scientists argue the earth is about to cool, not warm. Secondly, warming may well may "turn out to be quite beneficial for India and Africa where the deserts bloom. The US grain belt suffers."

Its addition there is "doubt."

In addition, there is "doubt whether the Antarctic Ozone Hole is linked to CFCs. It could be ephemeral."

On international macroeconomic co-ordination. Professor Lal notes that "the US and Germany have very different levels of tolerance for inflation." Furthermore, "there is no agreement about the true macroeconomic model for any country or the world econ-omy." Finally, "it is by no means apparent that policy col-lusion by governments is to be preferred to policy competition from the point of view of the citizens of the world."

Deepak Lal, The Limits of International Co-operation, Twentieth Wincott Lecture, Institute of Economic Affairs, 2 Lord North Street, London SWIP 3LB.

Bank figures say institutions put £3bn in foreign equities Overseas investment boosted

rebased to 1988.

By Eric Short, Pensions Correspondent

INSURANCE companies. pension funds and other finan-cial institutions specialising in long-term investment put about 53hn into overseas equi-ties in the second quarter of this year, the Bank of England

reported yesterday.

It was the third successive quarter in which the institutions invested heavily in overseas equities, although the second quarter amount was ond quarter amount was slightly down on the first quar-

It ended a long period of low or even negative investment overseas by institutions. Total overseas investment so far this year, at £6.3bn, is already past the record of £5.8bn for the whole of 1986.

Pension funds are leading

Life companies have invested £1.9bn oversess in the first half of this year, but that represents only a quarter of total net investment. Those institutions are still investing strongly in UK equities - £2bn in the second quarter and

£2.3bm in the first.

However, it appears unlikely that investment this year in UK equities will reach last year's £8.9hn and will certainly fall short of 1987's £14.9hn. Again pension funds lead the field with £1.1bn invested in UK equities in the second quar-

Investment in UK equities by life companies fell in the second quarter to £729m from £1.2bn in the first quarter. the rush overseas, with £2.5tm in contrast, the institutions invested in the first half of the have been heavy net sellers of

UK gilts this year. Some £2.7bu was disinvested in the second quarter, follow-ing net disinvestment of £2.4bn

Institutions have sold far more gilts than in the whole of when there was a total net disinvestment of £1.9bn. Institutions are offsetting

the effects of a contracting gilt market by switching to UK corporate bonds. Some £1.25bn was invested in these assets in the second quarter, following £1.7hm in the first.

Investment in property remains low this year follow-ing last year's revival, with a net disinvestment in the second quarter of £94m, accounted for by pension funds' net disinvestment of £195m.

Pocketphone consortium seeks edge in UK market By Terry Dodsworth

THE BATTLE for the UK pocketphone market intensified yesterday when PYPS, one of the four companies licensed to run the new telepoint sys-tem, amounced that it would be introducing handsets which use common industry stan-

The common standards have The common standards have been set by the Government to allow pocketphones sold by one of the licensee groups to be used universally on the telepoint networks run by the other operators. All four licensee groups will have to offer this facility by mid-1981.

Mr Peter Wright, managing director of PYPS, made it clear vesterday that the company yesterday that the company intends to use the common

over its three competitors.
These companies are in the process of launching their own telepoint networks using their own proprietory standards, and are unlikely to change to the common system before PYPS has launched its service next

less telephone system which allows callers to use their handsets within 200 metres of special base stations.

special base stations.

PYPS, a consortium of Barclays Bank, the Phillips Electronics Group and Shell, is buying its pocketphones and infrastructure equipment from GPT, the telecommunications mainfacturing subsidiary of General Electric Company, in which Signess of West Gerwhich Siemens of West Ger-many has taken a stake. standards technology to try to establish a competitive edge

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Watching the dust settle after Plessey

Terry Dodsworth on prospects for executives and staff after the company's takeover

N the aftermath of the Plessey takeover, Mr Step-hen Walls, then the company's managing director, has bought a black Porsche with white leather trim. He can afford it. At 42, he is reckoned to have left the company with approximately £1m from his

approximately £1m from his outstanding contract and share options - a tidy sum for a man who joined Plessey only a little over two years ago.

Mr Walls, a frank, engaging accountant with several years experience in the US, only chuckles when asked to confirm his millionaire status. Even so, he would find it hard to deny that he has, overall, gained from the takeover by the GEC-Siemens consortium. He arrived at Plessey already

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He arrived at Plessey already reasonably wealthy after being on the receiving end of a similar hostile acquisition in the US. "If you get two of these together like I've had, it can be

quite helpful," he says.

He has kept a house in Connecticut and he is a highly marketable executive. "I have a fair array of offers and I shall probably stay in the UK, but I don't need to rush into a deci-

Several of Plessey's former top team will make substantial financial gains. The four executive directors who have left — Sir John Clark, the group's redoubtable chairman, Mr Walls, Mr Warren Sinsheimer and Professor William Gosling

— all had hefty share options.

None needs to work again.

Prof Gosling, a voluble former academic who has been responsible for Plessey's tech-nology and research operations, concedes that, at 57, he is thinking of sitting back and writing books. He is not really rich, he says, "but Plessey has a very generous arrangement for pensions, which allows you to leave at 55. One of my options is simply

Although some Plessey managers have landed on a plump financial cushion, many are thinking more of what they have lost. "I feel extremely sorry for Sir John Clark," says one of his close associates. "He fought like a tiger against this takeover where others had given up. Now he has lost it all: the battle, his position, and the company that his father established and entrusted to



Stephen Walls: "no need to rush" into choosing between offers

week, has not been available for comment. The strength of his feeling, however, can be gauged by the way he kept up the struggle during Plessey's last days of independence, when he lobbied the country's leading politicians from the Prime Minister down.

Further down the organisation, managers are bemoaning the loss of the creature comforts that go with big company executive life, such as com-pany cars and secretaries. More seriously, the year-long battle to save Plessey has left intense frustration about the way Britain's industrial future is decided in bid battles.

ne senior executive, who did not wish to be identified because he may be on the list of redundan-cies, said: "We felt we had a strategy for growth and devel-opment which would appeal to shareholders. We had sufficient technology; we had moved into both the US and Europe; and we had established an effective new top

management team.

"We were also putting in place a programme for creating a strong defence company that would have acted as a counterweight to GEC - a project that should have appealed to the Government. But we were om." never given the chance to try it Sir John, on holiday this out."

Seen in that light, Lord Weinstock, GEC's managing director and grand strategist, seems to have been especially industrial strategy; and every-thing was running in favour of free marketeering, stock-mar-ket-dominated solutions to prescient when he made his industrial restructuring. Even the Ferranti debacle came at the wrong moment: if it had broken earlier, we might have been able to buy into the com-pany and scotch the GEC-Sie-mens bid for us." consortium bid for Plessey in tandem with Siemens in November 1988.

At that time, Plessey was within days of signing s deal with Thomson of France to bring their naval systems together. Each would have had 40 per cent of the other's activi-ties in the field, and there would have been an umbrella organisation to co-ordinate operations. In the long term, it might have led to a more far-reaching agreement between the two compa-nies – indeed, Thomson's keenness to enter the UK defence market has recently produced an alliance with Brit-ish Aerospace which may eventually lead to a bid for Fer-

Plessey's idea was to use the Thomson deal as the first step in bringing together other UK defence companies, such as Racal, Thorn EMI and Ferranti, into a larger grouping. But Plessey's timing turned out to be all wrong.

"What scuppered us was a combination of factors," says the unidentified executive. The political climate was not right, with a government that would not intervene to support anything that looks like an Essex and Addlestone, Surrey, The spotlight will then be on the individual divisions. Under the takeover, half

Plessey's military communica-tions and radar activities will go to Siemens. Managers there have responded enthusiasti-cally to their new owner,

largely because of Siemens' hands off spproach.
There is less enthusiasm in Plessey's naval and avionics businesses, which are to be taken over by GEC. Activities overlap in some areas, raising the possibility of redundancies.

The biggest uncertainties lie in the operations that will come under joint GEC and Siemens ownership – GPT, the telecommunications group (which will be 60 per cent owned by GEC), the semicon-ductor divison and the R&D

GPT's biggest fear is that it will be swallowed by Siemens, an altogether bigger telecom-munications business. To counteract Siemens' muscle power, the UK company had conducted over the last year one of the most ambitious corpoor the most ambitious corpo-rate identity programmes ever seen in the UK, aimed st imbuing its entire 20,000 staff with common goals.

It has put down roots over-seas, and in the UK it has started to push hard into fast developing areas.

developing areas such as mobile communications and video conferencing, but doubts remain about its ability to gain equal status to Siemens's tele-communications business. Semiconductors and R&D sit

Other senior Plessey managers feel s similar sense of lost opportunities. Mr Doug Dunn, head of the company's semi-

conductor division, says it is

impossible not to identify closely with the fate of a com-pany in which he invested nine

Mr Dunn, whose record in

building up semiconductor activities must make him a

strong candidate to continue

under the new management, will not comment in detail on the change. However, it is clear

that, for him, as for many of

his colleagues, the main issue at present is uncertainty. The first six weeks of the

takeover has been spent by the

victorious partners in stocktak-

ing. Plessey's London head-quarters in Millbank Tower

years of his working life.

even more uneasily between their new owners. In principle GEC and Siemens have only limited flexibility in their approach to running these businesses, since they have given undisclosed undertak-ings to the British Government to protect British military secrets and knowhow. Bnt some Plessey managers believe that, over time, they can expect more support for their activities from Siemens than from GEC – and they believe that the Ministry of Defence may be persuaded to alter the ownership arrangements. These kinds of changes are

s been closed with the loss of about 10 secretarial and administrative jobs, Little else not likely to take place over the next few months. All that has changed so far.
The main issue that will is evident at the moment, according to Plessey's managers, is that GEC and Siemens probably be settled in the next few weeks is the fate of the group's central staff - about are very different companies.

In Brief

Labour 'will consider monetary EC union'

The opposition Labour Party was ready, unlike the Conservative Government, to contemplate the possibility that Britain might join its EC part-ners in economic and mone-tary union (Emu), its chief eco-nomic spokesman, Mr John Smith, told a Brussels press conference late on Wednesday. Mr Smith had earlier sig-

nalled the party's "eagerness" to join fully the EMS. He said that should a conference of the 12 governments be called to negotiate an Emn arrangement, Labour would want to extend the talks beyond monetary matters.

Takeover cleared

The Monopolies and Mergers Commission cleared Rhône-Poulenc's purchase of the UK bulk painkiller business of Monsanto, US chemicals group, to give the French group 80 per cent of Britain's £5m-a-year market in materials used to make aspirin.

Space research

The Science and Engineering Research Council will not participate in any important pro-grammes for scientific experimentation in space, including the European Space agency Programme for microgravity, said its chairman, Professor

Museum deficit

The director of the British Museum, Sir David Wilson, said he was cancelling a building project because of a £1m budget deficit this year and warned that the museum could move £2.5m into debt next year without more government money.

Sunday post

The Post Office said it will go ahead with the phased reintroduction of Sunday collections despite opposition of the Union of Communication Workers. Collections would probably start before Christmas in Edinburgh, Darlington, Newcastle, Cardiff and Northern Ireland.

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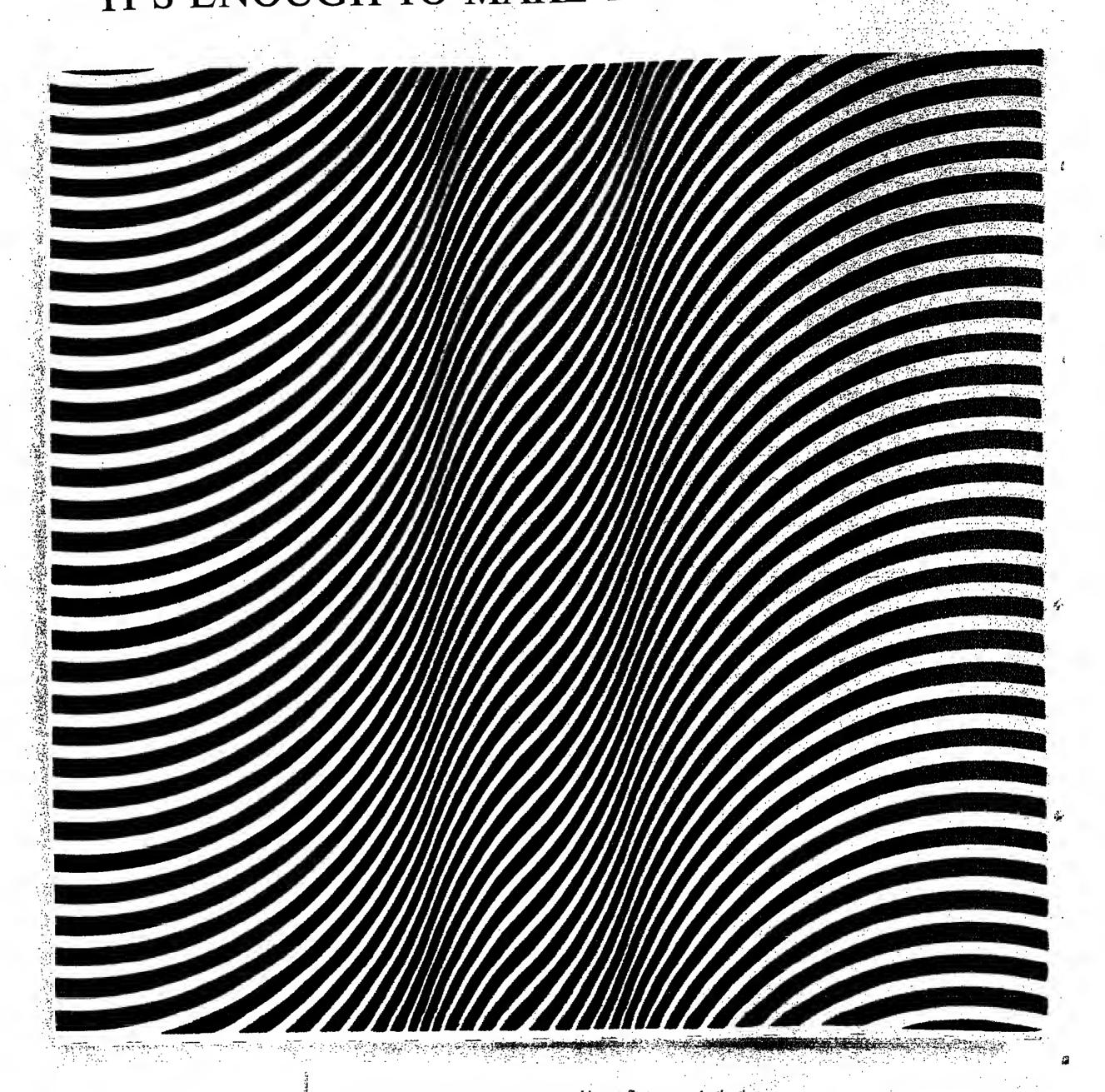


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Il tell you why our motorcycle industry has declined since the 1960s. The Soviet Union took 90 per cent of our production, that's why. It backfired on us."

Andrej Barcak, general manager at Motokov, the export agency for the Czechoslovakian motor vehicle industry eases back into his chair and straightens the lapel of his smart navy blue blazer.

"Because the Soviets have such a lot of problems with distribution and supply and coping with component changes in all kinds of machinery, they accept innovation reluctantly. The result is that the technology of our bikes did not develop. Their designs now have no place in western markets."

What happened to the CZ and Jawa, the two brands that make up the Czech motorcycle industry, is an object lesson in the damage that can be done to a manufacturer which sells into a restricted and low tech-nology market.

Dependency on such markets is not confined to east European manufacturers; many a North American and UK company has suffered in the same way. But in a country like Czechoslovakia it is one of the many roadblocks centralised socialist state planning tends to throw up against the development of modern manufacturing.

Czechoslovakia is run by one of the most rigid, conservative regimes in eastern Europe but has the best organised manufacturing economy after East Germany. Some of its plants are more mechanised and aner than comparable ones in the UK. There is enormous emphasis on apprentices, company schools and graduate recruitment. "You can deal with Czechoslovakia. It has a long manufacturing history and though it is short of foreign currency its engineers and many managers are very good," says one salesman for a German construction machinery maker. "As for Poland, oh my God. And the Soviet Union is in such a mess it's almost indescribable. It's a basket-

Yet the Prague Government has recently introduced some limited reforms to try and move manufac-turing economies along a bit more. This is a recognition that the country has a stiff, unresponsive and in many ways backward manufacturing economy, where the overwhelming characteristics are over-reliance on heavy industry and long batch runs of consumer goods with patchy or substandard style and quality.

Czech managers are now begin-ning to grapple with some of these changes. Bloated and largely useless state industry bureaucracies occupying a layer between government ministries and the operating companies are being disbanded. Manufacturing companies will, from now on, retain a bigger share of their profits. They will keep almost all the foreign

exchange earnings they make. In theory anyway, these compaCzechoslovakian industry

Grappling with a new autonomy

Nick Garnett reports on attitudes among managers in one of the best organised manufacturing economies in Eastern Europe as they respond to the new mood in the region

ownership - should have more autonomy to make decisions on what they sell and where. More joint ventures with western companies (130 of these so far) are being sought. Companies that cannot make money will be folded or merged into others. Some factory managers remain little affected by the new mood in east-ern Europe. "Communism is Our Aim" says the banner across the front of the Kovolit aluminium foundry in Brno. Ask technical manager Jundrich Sustr what is the biggest drag on efficiency and he suggests the somewhat dubious explanation of language problems and work ethics among the plant's 50 or so Cuban and Vietnamese workers (a common sight in Czech

nies - which will all remain in state

At the big and successful Kos machine tool company in Kurim, general manager Ladislav Klenovits looks for all the world like the owner of an Italian machine tool maker, sun-tanned, well-manicured and with an immaculate light blue suit. "Well, gentlemen," he greets visitors. "Time is money as we say in the west." But behind the desk in his wood-panelled office are the col-lected works of Lenin, a bust of the founder of the Soviet state, and one of Karl Marx.

But many managers seem keen to make changes, to raise efficiency and try and break from some of the structural difficulties rooted in a centralised socialist state.

etor, the big tractor maker in Brno, is a classic example of the vertical integration prevalent in Czechoslovakian companies. It not only makes its own hydraulics, gearboxes and engines, it also manufactures the ball-bearings that go into its tractors. And this for just

go into its tractors. And this for just 30,000 tractors a year.

Metra is a large electrical group employing 4,500 in Blansko with a product range including electrical meters, computers and laser equipment. But it has a big machine room. with-large and advanced West German pressing machines actually punching out plastic and bakelite

The economics of size hardly make sense bere. However, many senior managers argue that they need this integration because of another prob-lem: they do not trust the quality of components from dedicated component makers.

"There are plastics companies in Czechoslovakia but the quality of what they produce varies too much,"



Wiring assembly for electric meters at Metra, a large electrical group employing 4,500 in Blausko

says Ladislav Necas, the company's deputy technical manager.

The quality of components is

undoubtedly a big dreg on Czecho-slovakian efficiency. Part of the difficulty lies in the country's culture of trying to make everything. Spread-ing the net too widely is a moan of

Czechoslovakia makes too many things, across too many ranges and the quality is often not good, "says Vratislav Vajda, a manager at Tatra, the truck maker. "We will just have to make less."

to make less."

"We try and produce something like 92 per cent of all goods. That's far too much," says Barcak at Motokov. "It's just unacceptable."

Some of these problems are in supply plants within companies producing end products, like Tesla, which makes most of the electronic certification.

makes most of the electronic equip-ment in hotels, offices and homes all

over the country.

Tesla is a classic example of a Tesia is a classic example of a company trying to do everything. "Tesia factories complain all the time about shortage of components or that the quality is not 100 per cent," says Gabriel Turay, director of Omnia, the foreign trade corporation in Particles of the components of the tion in Bratislava which sells Tesla's

In its consumer electronics divi-sion, it makes 300,000 to 400,000 col-our and black and white TVs,

together with radios, record players, compact discs, compact disc players and, in a joint venture with Philips,

video recorders.

Much of this is small volume output, some just for the domestic marput, some just for the domestic mar-ket. "There is really no prospect of us producing radios," says Turay. "We already import a lot of these from Russia, Poland and the GDR. Ours is just symbolic production." The company has been producing a small number of cassette record-ers. "It's nonsense. Why start produ-cing those with all these big produc-

cing those with all these big producers in the world? I think we'll be quite big in TVs and compact discs but not in disc players."

One of the peculiarities about Czechoslovakia is that in a central-

ised socialist economy, its manufac-turing demonstrates a lot of potentially harmful fragmentation.

For example, there are thought to-

be about 60 computer makers. Some of these have grown from co-opera-tives; some supply equipment and software just for running farms. This has drained the country's effort in high tech equipment. Even ZPA, one of the biggest Czech computer mak-ers, has its detractors. Cadcam engi-neers at FORM, a maker of forming machines, complain that ZPA equipment is not quite as reliable as west-

ern produced machines.
This problem of scale is exercising

the minds of some managers in the vehicle industry. Barcak says Skoda cannot really survive as a car maker unless it raises its yearly output of 183,000 cars to at least 850,000. He also says that Tatra which makes

15,000 trucks a year should be merged with Liaz which produces

18,000 trucks. An interesting aside on the issue of scale is that Tatra makes just 500 units a year of its 613,

the slab-like 3.5 litre rear-engined V8

saloon used by apparatchiks, senior

managers and taxi companies. different problem of scale has A arisen from the way group-ings of companies have been set up. The Up furniture factory in Rousinov is one of six factories mak-

ing volume production furniture. Like so many plants in Czechoslovakia it has rather impressive, front-end production, using medern German machines from Notimeyer, Eisenmann and Homag for automatic wood cutting, shaping and siz-ing and inserting of wood studs for

The trouble is that some of the other factories in the group also have this costly sophisticated equip-ment. Instead of centralising this front-end operation, they duplicate it. "It would be better to have one centralised cutting and preparation plant for the whole group," says

Andrej Bozek, director of the Up fac-tory. "It would be more effective. We waste wood here."

One thing that some Czech manag-ers are now interested in is worker

motivation. The Up plant exports some of its upholstered furniture to Ikea of Sweden and has therefore shown that it can produce good quality products. "But what I want to know is, how do western companies motivate their staff?" says Bozek. When I go round the sewing machine area I can see that some of the women workers are missing, but

where are they?"

A description of the way a mixture of reward and fear sometimes works in European companies brings in European companies brings smiles to the face of managers but some are trying to change their pay systems. Paul Svehilk, a manager at Zetor, says the company is trying to introduce more grading among its employees as well as heaping more responsibility on to supervisors.

But the methlem is that a human

But the problem is that a huge proportion of the working popula-tion earns very close to the national average industrial wage of about Krs3,300 per month, there is little difference based on skill, and pay tends to rise solely by length of service. This average salary compares with the cost of a new Skoda Favorit at Krs90,000, a colour TV at 16,000 and a leather sofa at 32,000.
At FORM, Michal Klimes, the 29

year-old head of the company's computer-aided design system, says it is difficult to know what to pay for the best software and systems engineers. His salary is Krs3,500, much less than some older manual workers.

Recent rule changes for companies are full of contradictions. At a time when companies are trying to reduce their managerial superstructures, they are having to take some of the staff officeded by the middle level bureaucracies that are being dis-bended. Some of the 22,000 people who were employed as "civil ser-vants" for the furniture industry are being officeded to furniture factories

ike the Up plant.

Elections for the post of plant director have been introduced at all factories, the incumbent challenged by a candidate apparently picked by the Communist Party. Such elec-tions, which appear to be some kind of sop for not introducing political reform, are condemned by managers. Czech managers disagree about how fast the door might close on even these limited reforms if change elsewhere in eastern Europe comes to a halt. They even disagree on how fundamental the changes will prove. "Companies are now on their own," says Barcak. "If the government wants to rationalise products and tell an individual company to

stop making something it will no longer be able to do so." But at Tesla, Turay smiles at this But at Tesla, Turay smiles at this suggestion. "If there is a conflict of view it will just not be possible for a company to tell the minister: no, we are not going to do what you want."

These obstracts are condensed from the abstracting journals published by Anhor Management Publications, Licensed capital of the original articles may be obtained at a cost of 25 cost (including VAT and p+x; cash with are not going to do what you want."

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Management abstracts

Winning in Japan: keys to global success. E. Artzt in Busi-

global success. E. Artzi in Business Quarterly (Canada), Winter 89 (5 pages).

The president of Procter & Gambla International discusses, with illustrative examples, the basic principles of success in the Japanese market; knowing your customers' habits, attitudes, blasses and discretifications and failuring dissatisfactions and tailoring your products to the market; being sensitive to cultural differences; penetrating the mul-ti-tiered distribution system, with its large number of retail outlets and wholesalers, and selling your company as well as your brands.

The virus cure. J. McAfee in Datamation (US), Feb 15 89 (12

pages).
Traces the history of computer viruses from their first fictional appearance in a 1977 science fiction book. Describes what they are (providing details of the six most common), how they spread, and what their limitations are; identifies three types of anti-vi-ral programs — infection pre-vention, infection detection, and infection identification — detailing the pros and cons of each. Provides ten guidelines

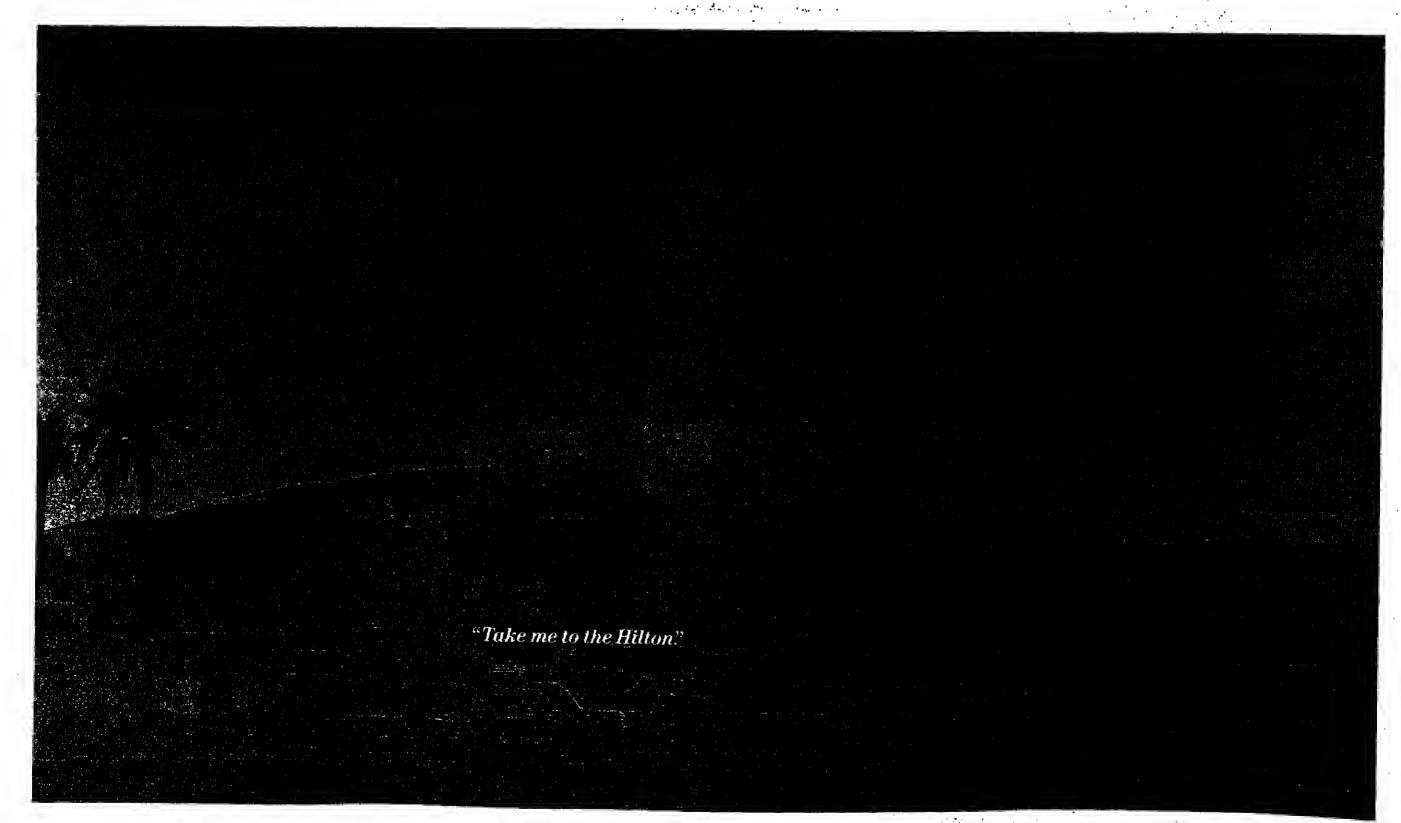
for safe user practice. Designing a career break sys-tem. S. Field + L. Paddison in Industrial and Commercial Training (UK), Jan|Feb 89 (4

pages).
Sets out the motivation for the mechanics of, and the success of Barclays Bank's career break scheme for young mothers (or fathers, or even foster-parents). Dismisses the notion that such schemes are expensive and contrasts their "minimal" cost with the price of let-

ting them go.
The experts in your midst. M.
J. Prietula and H.A. Simon in Harvard Business REview (US), Janifeb 89 (5 pages).

Explores the dimensions of expertise — why experts are

experts, how they get to be experts, and what their reason-ing processes are (a mixture of analysis and intuition); contends that an understanding of the phenomenon is crucial to management's ability to spot experts and encourage their maximum contribution to the business (by structuring the reward system so that expertise can be recognised).



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THEATRE

Anything Goes (Prince Edward). Cole Porter's silly ocean-going 1930s musical has four or five marvellous songs and Ela Paige failing to emulate Ethel Merman, Jerry Zaks's desperately bright production comes from the Lincoln Center in New

The Master Builder (Barbican). Magnificent RSC revival of Ibsen's late poetic drama of lies, deceptions and misrouted sensuthen Olivier, played it in Lon Adrian Noble directs, Richard Hudson's tilting roofs chart the unge. (638 8391) Oct 25, 26, Nov

A Flea in Her Rar (Old Vic). Feydean's farce in the John Mor-timer translation spiritedly done as German Expre

MUSIC

Royal Philharmonic Orchestra conducted by Viadimir Askhen-azy, with Mstislav Rostropovich (cello). Richard Strauss. Royal Festival Hall (Fri) (928 8800) arah Leonard (soprano). Stra vinsky, Ligeti. Royal Festival Hall (Mon) (928 8800). Royal Philharmonic Orchestra conducted by Vladimir Askhen-azy, with Elisabeth Söderström

(923 8800). Orchestra of the Age of Enlight-enment conducted by Gustav Kuhn, with soloists. Haydn. Queen Elizabeth Hall (Wed) (928

Paris

Elena Obraztsova Recital, Gaveau (49530507) (Mon). by Philippe Entremont (piano) Berlioz, Mozart, Tchaikovsky. Salle Pleyel (45638873) (Mon). Ensemble Intercontemporain conducted by Peter Eotvos: Gie-len, Hoeller, Ligeti. Opera Comique (42960611) (Mon).

New Arts String Quartet performs Beethoven, Ichiyan de Pablo and Rayel, Palais des

Quay Brothers, the directing and design team on WNO's Love of Three Ovanges. Jim Broadbent leads good cast as the discom-fited insurance manager and his doppelganger, a drunken hotel parter. An interesting, enjoyahle, unfairly derided exper-iment (928 7616, cc 240 7200). Wood's other great performance this season with the RSC is his Prospero in Nicholas Hytner's production, a towering, intemperate impresario whose magic is an instrument of both revenge and resolution. (638 8891) Oct 20-24, Oct 30, 31.

Another Time (Wyndham's). New Ronald Harwood play, directed by Elijah Moshinsky, about a white South African family in Cape Town and Maida Vale. Albert Finney plays fa Vale. Albert Finney plays father and concert pianist son across 35 years, suggesting that talent is a means of escape and a rea-

are electrifying in support (867 Aspects of Love (Prince of Wales). Andrew Lloyd Webber's nett's 1955 novella. Musicall meresting and well directed by Trevor Nunn, a cast of unknowns project the right sense of syberitic insouciance. A proba-ble, but unspectacular, hit (889

New York

Heidi Chronicles (Plymouth). Wendy Wasserstein's award-win-

The Monnaic Symphony Orches-tra and Chorus conducted by Sylvain Cambreling, with Harald

den Eynde (piano) performing

Le Trio Français performs works by Fauré, Jolinet, Lalo and Moz-art. Cercle Royal Gaulois (Wed).

Pittsburgh Symphony Orchestra conducted by Lorin Maazel, Mah-ler, Concertgebouw (Fri) (718

Chamber Orchestra with Olli

(Sun matinee). Concertgebouw (718 345).

Amsterdam Baroque Orchestra

(Tue), Concertgebouw (718 345).

with the choir of the Netherlands Bach Society and soloists, Ton

Amsterdam Baroque Orchestra with the choir of the Netherlands

Bach Society and soloists, Ton Koopman conducting, Mozart

(Sun matinee, Mon). Vredenburg

Orchestra conducted by Harmut Haenchen, with Olga Martinova

(violin) and Jan Stegenga (cello). Brahms (Tue, Wed). Vredenburg

(31 45 44). Netherlands Philharmonic

nan conducting, Mozart

Mozart (Wed, Thur). Theatre Royal de la Monnais.

ning drama covering 20 years in the life of a successful American baby boomer goes from supcan pany for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s, accompational flavour of the period (239

Lend Me a Tenor (Royale). A sprucing up in the set of a dec ing town's big time opera ambi-tions makes a transatlantic hit of this farce, first produced in London, but now with a local cast led by Philip Bosco and Victor Garber (239 6200), Romours (Broadhurst). Neil

Simon's latest comedy is a selflamming doors and lots of mugging but hollow humour that misses as often as it hits. Chris-tine Baranski leads an ebullient cast in the inevitable but disappointing hit. Cats (Winter Garden). Still a

self-out, Trevor Nunn's produc-tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically A Chorus Line (Shubert). The A Charus Line (Shubert). The longest running musical in the US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather th

emotions (239 6200).

A Few Good Men (Risenhower). One of the few new, contemporary dramas headed for Broadway gets its world permiere in

Rotterdam

Academy of St Martin-in-the-Fields Octet with Rmmy Verhey (violin). Svendsen, Schubert, Mendelssohn (Fri). Doelen (413

Quartetto Borodin, Beethoven Webern and Shostakovich (Wed). Conservatorio G. Verdi

Soviet Radio Orchestra conducted by Vladimir Fedoseev playing Tchaikovsky, with Vladimir Ovchnikov (piano), winner of the 1982 Tchaikovsky prize (Tues), Teatro Verdi (212320).

The Solisti Veneti conducted by Claudio Schmone. Vivaldi, with flautist James Galway (Wed) Teatro Olimpico (393304).

Wiener Mozart Orchester in historical costume, Conducted by Konrad Leitner, Mozart, Konzerthaus (Fri, Wed). Alban Berg Quartett. Mozart, Schnittke, Dvorak, Konzerthaus. (Sat, Sun). Wiener Symphoniker conducted Strauss, Schubert, Musikverein

Washington, in this story of a military cover-up. Ends Oct 29. (467 4600) Chicago

The Missuthrope (Goodman). The first production of the season exchanges Mohere's France for contemporary Hollywood for commingurary manywood in a new adaptation by Neil Bar-tlett, directed by Robert Falls with David Darlow playing Alceste. Ends Nov 4 (443 3800). Alceste. Ends Nov e (443 coup.)
Driving Miss Daisy (Briar
Street). The touching relationship between a dowegar, played
in this production by Dorothy In this promotion by Doromy Loudon, and her black chauffeur exposes the changes in the South over the past several decades (348 4000). Steel Magnolias (Royal George). Ann Francis and Marcia Rodd

play the leads in this view of southern life from under the dryers in a busy hairdressing establishment (968 9000).

Tokyo

Kabuki, Performances at Kabu-ki-za (541 3131) are at 11am and st-2a (54) 3131) are at 112m and
4.30pm. The star of the evening
show is the prodigious Ennosuka
Ichikawa, fresh from a successful
season in New York, in a triplehill designed to display his multifarious talent. (ends Oct 26). At
the National Theatre (265 7411) performances on most days are at 1pm, and among the performgreat exponents of the art of the Onnagata (ends Oct 28). Both theatres have useful English

Madrid

Munich Philharmonic Orchestra conducted by Sergiu Celibidache, Bruckner (Tue). Verdi, Straues,

London Symphony Orchestra conducted by Kent Nagano, with Mstislav Rostropovich (cello). Without Homeower Dycole cells. Milhaud, Honegger, Dvorak; cele-brating Catalonia's 1,000th anniversary, sponsored by Banco Bilhao Vizcaya. (Thur) Gran Teatre del Licen (318 91 22).

New York

Orchestre Symphonique de Mon-treal conducted by Charles Dutoit. Schubert, Hindemith, Prokoflev (Mon); with Midori (violin), Wagner, Bartok, Stravinsky (Wed) (247 7800) Carnegle Hall.

Chicago Symphony Orchestra conducted by Gunter Wand. Bruckner programme (Thur). Orchestra Hall (425 6666).

Tokyo

Academy of Ancient Music conducted by Christopher Hogwood, with Melvin Tan (fortepiano). Suntory Hall (Mon) (505 1010).

EXHIBITIONS

The Hayward Gallery. Andy Warhol – two years after his teath, a comprehensive retrospective of the career of this seminal yet ambiguous and still con-troversial artist, since he turned to painting from graphic design in the early 1960s. Sponsored by BP. Until November 5. The Royal Academy. The Art of Photography 1839-1989: in cele-bration of the 150th anniversary of the first practical demonstra-tions of the medium, this large and impressive exhibition leads the visitor through the practical developments and sesthetic variations and experiments in the

use of the madium, from the work of the earliest pioneers

work of the earliest pioneers France, England and Scotlar

Musée des Arts Decoratifs. Je suis le Calrier - Picasso's electri-books. After two years of mean-dering the world over, the exhibi-tion ends, aptly, in Paris. The 40 sketchbooks covering a period of 64 years follow closely Picas-so's development. Rue de Rivoli (42603214). closed The. Ruds so's development. Rue de Kr (42003214), closed Tue. Ends

December 31.
Grand Palais. Archaeology in
France. The exhibition presents
30 years of discoveries with some 3,000 objects, beginning with the inevitable skulls and flint tools and ending with finds from the Louvre foundations. Closed Tue, Late-closing Wed. Ends Dec

37 (42895410) The Louvre. Arabesques et Jar-dins de Paradis. The beauty andrichness of nature is a leitmo-thy which runs through Islami-cart from Spain to India, from the 8th to the 18th century 224 exhibits, miniatures and manuscripts, textiles and ceram-icsshow the unifying force of this inspiration which ranges from the decorative to the symbolic. Yet the traditional styleon each of the Islamic countries lds a specific colour tonature'a terpretation. Closed tue, ends

Jan 15 (40205317).
Photography. To mark the 150
years since the birth of photography the Centre Pompidon speaks
of the invention of an Art, the
Musée d'Orsay stresses its
modernity (Quai Anatole
Person). Archives National Archives France), Archives Nationales recount the genesis of this inven-tion (60, rue des Francs-Bour-geois), Musée Carnavalet shows geois), Musee Carrava (31, rue Paris daguerreoiypes (31, rue the Centre National de la Photog raphia uses chronology to teach its history (Palais de Tokyo, 16 ave Président Wilson). The Leavre. The glass pyramid, built by LM. Pel, the Sino-Ameri-can architect, has opened to the public as a dramatic entrance to one of the world's most famous museums. Erected as a medieval fortress in 1204, the Louvre later expanded into a

rensissance royal palace only to be turned into a museum in

revolutionary 1793. Closed Tue.

Musée Rodin. A delightful 18th century townhouse — Hotel Biron — contains the life work of Auguste Rodin, whose powerful genius opened the way for modern sculpture. 77, rue de Var-

enne. Closed Tue. Musee d'Orsay. The spectacular museum of the 19th century is situated opposite the Tuileries gardens within the metallic structure and the glass-roofed vault of the vast Belle Epoque railway station. 1, rue de Belle chasse (45494814). Closed Mon.

Martiany

Fondation Gianadda. A Henry Moore retrospective of some 50 sculptures, 80 drawings shown in rotation and 60 engravings is as impressive by the judicious selection of exhibits, as by the exceptional location for 12 of the monumental statues in a park with Aipine peaks as a backdrop. Ends Nov 19 (026-223978).

Europalis Japan 89. Having cele-brated the art and culture of Austria two years ago the Europalia turns to the east this year, bringing to Belgium the most spectacular festival of Japanese arts outside Japan. Ends on December 17. Sotheby's, Japanese Works of

Sotheby's. Japanese Works of Arts and Prints. 32 rue Jordaens. Daily, ends October 27. Bibliothèque Royale Albert 1er, 2 Boulevard de l'Empereur, 50 years of Architecture (1939-89). Daily ends November 10.

Fundacion Juan March. Retrospective of Edward Hopper opens theautumn season at the founda-tion. 61 works by the New York realist covering a period of 56 years. Until Jan 4. Palacio de Velszquez. 22 paint-ings and 20 drawings and engrav-ings by Sean Scully, one of the most important figures in the new generation of abstract art-ists. Ends Nov 19, Closed Mon.

Fundacion Caja de Pensiones. International art. Exhibition of contemporary art from the museum's holdings acquired since1985, including works by

Forg, Huber, Mucha, Deacon, Kiefer, Police, Cucchi and Merz. Closed Mon. Museo de Arte Moderno. Show ing of modernist posters belon-gingto the museum's collection. An important selection consistin-gof 70 posters by renowned turn of the century artists:

Mucha Steinlen, Toulouse-Leu-trec, Cheret, etc. Ends Nov 26.

Beethovenhalle Bonn, 50 por-traits of Beethoven by the American pop artist Andy Warhol, in addition to the Bonn Beethoven fest, an Andy Warhol exhibition is taking place until October 1.

Bruecke Museum, Bussardsbeig 9. A Franz Marc retrospective with 180 drawings and aquarelles

expressionist painter's works, can be seen for the first time

Stadtische Gelerie im Lehmhach-hans. The most complete retro-spective of the expressionist painter Karl Schmidt-Rottluff to date with almost 370 works from 70 privateand public collec-

Stadtisches Kunstmuseun Rathausgasse 7. Glanzischer, 40 years of government support for art. This exhibition shows for the first time selected works of art from 11 centuries and attempts to present an impre sion of all aspects of culture during this period, with the help of government, foundations and private sponsorship. Ends Nov 22.

Vienna

Secession. The highlight of the next few weeks will be the 100th anniversary of the hirth of Ludwig Wittgenstein, the philosopher, architect and craftsman who until recently had not heen appreciated by his fellow countrymen. Ends October 29 and not to be missed.

The Technisches Museum. The Technisches Museum. Although not the most eleg of Viennese museums, has put together an exhibition exploring the relationship between art an industry and how industry has tapped the imagination of the artist. It is particularly interesting having Austria's post-war-generation represented under one roof. Ends October 26 1989.

Palazzo dei Conservateri, Campi-doglio, Giuseppe Ceracchi (1751-1801), Jacohin sculptor. The geye witness sketch of Ceracchi and co-conspirators in a plotto assassinate Napoleon standing at the foot of the steps to the

Palazzo Grassi, Italian Art 1900-1945. A much-emplified exhi-bition covering a briefer period than did the recent show at the Royal Academy in London, organised again by German Celant, with the director of Palazzo Grassi, Pontus Hulten. Ends

San Giorgio Maggiore: Hogarth a beautifully chosen study of the life's work, prints, drawings and paintings, of the first great English artist of the 18th. century, William Hogarth, organ-ised jointly by the Carl Foundstion in Venice and the British Council. Until November 12.

Palazzo Te, Truttiere di Palazzo Te, Reggia Gonzaghesca. A vast exhibition devoted to Giulio Romano, Raphael'a favourite pupil, who spent the last 20 years of his life in Mantus, producing masterpieces of architecture, painting, engraving and fresco. The Frescoes of Palaxio Ta have been restored. Ends November

Forte di Belvedere, African Art. The Roots of Modern Art. One hunded and fifty scriptures, mainly in wood, produced by 66 different tribes spread through central, western and southern

New York

Whitney Museum. A special exhibit from the museum's extensive holdings of Edward Hopper highlight the realistic painter's Paris and domestic scenes among the 150 pieces in all media. Ends Nev 5. Midropolitim Museum. A decade of fabolous shows borrowed from around the world culminates in the present exhibit of the major works of Velezquez, much of which is borrowed from the Prado in Madrid. Ends Jan 7.

National Gallery. A major inter-national collaboration showing the major works of Frans Hals outside the Netherlands for the first time starts here with more then 80 paintings.

Art institute. Fixing the Shadow shadows the history of photogra-phy at its 150th anniversary. Of the millions of possible contributions, the exhibit focuses on 400 pieces by 200 photographers organised chronologically. Ends

National Museum. Art of the Muromachi Period (1834-1537). Major exhibition featuring some 400 works from the period when the shogons had consolidated their power, bringing a period of relative peace and prosperity with a resultant flowering of the arts, much of it influenced painting, garden design and the tea ceremony. Closed Mondays. National Museum of Modern Art. A Perspective on Contempo chrome, Paintings, prints and sculpture by 21 younger artists from Japan and elsewhere, but humorous caricatures by 18 artists of the early 20th century. selected to illustrate the use or

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Ota Memorial Museum, Kiyo-chika Kobayashi. Ukiyoe prints and paintings by a prominent artist of the Meiji era, when west-ern art first made an impact in Japan. A notable innovation is the use of light and shadow within the confines of the traditional woodblock print. Ends October 27. Riccar Museum. 53 Stations along the Tokaido. Not the

famous woodblock series by Hiro-shige, Closed Mondays, Ends Continued on page 15

FINANCIAL TIMES

Financial Times Newsletters announces the launch of a unique information service which will become an essential source of reference to all players in the international credit markets.

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ARTS



Jeffrey Bernard Is Unwell

great trick is that Bernard's

stories, exhilarating and sur-

real, have been weven into a coherent dramatic sbape. Partly this is due to Water-

house's skill; but chiefly, I feel,

to O'Toole's reliabing, bravura

display of breathing control, comic timing and soul-baring

With this performance, he comes home and takes com-

mand. The paragraphs are often long. Note how he heaves

his frame into shape and takes

malign.

APOLLO THEATRE

The legend of the title vodka bottle. And us. The occasionally sphears in The Spectator. The legend himself, who became one in his ewn lunchtime, is now impersonated on stage by Peter O'Toole. His monodrama with inserts is compiled by Keith Waterhouse, directed by Ned Sherrin and designed by John Gunter.

Impersonation is not the right word. O'Toole here delivers the performance we thought we had lost to his dissolution and physical decay. The irony is that, now on the wagon, he achieves anotheosis as his alcoholic look-alike and old-friend. For Bernard is not

so much the lord of misrule as the knave of chaotic disarray. His column is a trenchant kaleidoscopic ramble around the Coach and Hosses pub in Soho. Devoid of vanity, blank of ambition, free of commitment, he is the licensed safety valve of all our dark intents. He once said that he had had many wives; four of them his

This aroma of Soho debauchery, with ghosts revisiting the Boar's Head Tavern populated by Falstaff and his cronies, is magnificently conjured at the Apollo. After an extraordinary poetic prologue, which proves to be a linking, very fine appre-ciative poem by Elizabeth Smart (who got Bernard his first journalism job on Queen magazine), O'Toole rises, dazed and swearing, from the floor of the Coach and Horses. The he Coach and Horses. The dead of night, you feel the hero rendily tilted pub inferior is, would be utterly alone, it is or once, a symptom not of the this quality of defiant, uncomproved Expressionism, but of the promising alone ness that O'Toole so magnificently transfer the properties. The material transfer the reference to the properties that the reference to the properties the properties that the reference to the properties that the prope trendily tilted pub interior is, for once, a symptom not of the new Expressionism, but of the hero's state of mind.

five in the morning. His past crowds in, niftly played by a quick change foursome of Tim-othy Ackroyd, Sarah Herger, Annabel Leventon and Royce Mills. Foul-mouthed Norman, the manager, cannot be roused so Bernard takes solace in the

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San Francisco Opera's new production of Berg's Lulu, the company première of the complete opera and Lofti Mansouri's first new production since becoming the company's general director last season, is a whole Lulu in more than the literal sansa. A carefully thought-out, artistically integral production of enormous visceral impact, it takes Berg's penetrating, endlessly challeoging, and ultimately inexhaustible masterplece on lts own exacting terms, yielding a total aesthetic experience as rewarding as it is

disturbing.
Mansouri and his estimable colleagues, including a young soprano who augurs to become the leading Lulu of here day, are faithful to the spirit (if not every letter) of Berg's score. A mere decade after the première of the completed work, that commitment alone secures the importance of this bold, imaginative new produc-

Not only does Mansouri not impose a perverse directorial overlay on the work, he brings a notable clarity and conviction to the drama Berg so meticulously planned. In a sig-nificant leap beyond his conventional, vividly naturalistic directorial style, Mansouri gives strong evidence of both an instinctual and a deliberate grasp of the work's expression-ist style. Individual events read clearly. Characterisation is precise. Even the tumultuous Paris scene has the lucidity of finely calibrated chamber

Some particulars are disturbing; a few, in the strict sense, wrong. Luin licks the Painter's blood from Dr Schon's hand instead of wiping it off with her handkerchief dipped in per-fume. A departure from the Libretto, it proves an arresting gesture well supported by the feline sounds emanating from the pit. More controversially, Alwa mounts Lulu at the end of Act II with pelvic thrusts timed to the four crushing final chords. The explicit corre-lation of sex and death might be more effective if the staged event was not by now a stage trayal,

cliché at least as old as the Cherean Walkure.
The rola donblings Berg

specifies are retained only for the husband-clients, and somethe nuscano-cuents, and some-thing is lost in assigning the Prince and the Marquis to dif-ferent tenors. Most damaging to Berg's decision, Lulu dies onstage — far downstage, in fact, bleeding and pathetic. An undertable over de théâtre it undeniable coup de théâtre, it mars Berg's intimation of Luin's unseen return to her mysterious origins.

Yet the compensations out-weigh Mansouri's few departures from the score. Throughout, he traces the complex network of interrelationships with pointillist precision. The Lulu-Schön relationship in particular, is so precisely limned that the subtle symmetries of the plot seem, for once, almost obvious. There is a mild update, from

the turn of the century in Wedekind to the period of Luku's composition. The commanding beauty of Günther Schneider-Siemssen's strikingly original sets and Hollywood designer Bob Mackie's sumptuous costumes easily justifies it. Among the few designers to have ventured the second-act film Berg describes, Schneider-Siemssen's multimedia silent has an absorb-ingly period feel. A masterpiece of suggestive concentration, it proves as enthralling as Berg predicted.
The circus motif established

in the Prologue is sustained throughout the opera by visually unobtrusive but sublimi-nally omnipresent 200 bars. The decors are an apt blend of naturalistic and the phantas-magoric, each of the sets suggested by free-standing walls, skylights and doorways

(often ominously tilted).
As Lulu, the 26-year-old, company trained Ann Panagulias makes a spectacu-lar international debnt. A woman of uncommon physical beauty and vocal allure - and unqualified vocal prowess she performs the harrowing part without a hint of strain. Her astonishing naturalness is the key to her affecting por-

The radiance of her singing voice, the pointed expression in her coloratura, and the impassioned authority of her impassioned authority of her speaking voice conspire to creata a suppla yet kaleidoscopically inflected Lulu Childlike and womanly,

Lulu. Childlike and womanly, dispassionate and flery, naive and scheming by turns, her investment in the part is complete to the smallest detail. Her "Meines Mannes" speech, "O Freiheit" and the aching pathoa in "Komm gib mir einen Kuss" are ecstatic peaks in a haunting traversal of the role. At the opposite pole of age and experience, Hans Hotter 80

years old yet firm of uttera parforms an earthly, wordly-wise Schigolch of characteristically deep sympathy and towering anthority. At his every appearance, one is swept from the opera stage and into the theatre of world myth. The tender and the primal mingle magically in his interplay with Panagulias' Lulu.

Victor Braun's handsomely sung, keenly inflected Schön charts a slow descent into dementia as touching as his return as Jack is chilling. Barry McCauley, in peak vocal form, is an ardent Alwa who attains incendiary levels of passion in the second act. Evelyn Lear contributes her familiar, tortured Geschwitz. Richard Cowan is a splendid Animal Trainer/Acrobat and heads a cast of secondary characters, all of whom perform ably, some providing exquisite miniatures.

Conductor John Mauceri's probing, finely balanced, dramatically urgent reading of the score maximises its beauty with no loss of cogency. His uncanny knack for pointing up the score's external references clarifying its internal ones, and realising its specific (if synthetic) colours and shapes — while retaining his grasp on the whole, in all its fearful symmetry - anchors as well as enlivens the production. The orchestra plays at its current peak form for him.

Timothy Pfaff

Peter Grimes

Revivals of this most distinguished Royal Opera production are always to be welcomed, doubly so when the cast introduces a new generation of Britten singers. Philip Languister Fallicity Lett and Langridge, Felicity Lott and Donald Macintyre all sing their parts for first time, and the opera is conducted by Roger Norrington, another debut to the work. It is clearly a week, however, for operatic disappositions and the same than the same terms of the same terms and the same terms are the same terms and the same terms are the same te pointments, for on the first night on Wednesday these top-quality ingredients never quite combined as memorably as they should, though there seemed no single attributable cause; in the past this produc-tion has made far greater impact with far less promising

Top of the disappointment list, I fear, is Langridge; against all expectation his Grimes is strangely lacking in motivation. His rages appear to be conjured from thin air, and the character has no centre; this is neither the psychotic nor the visionary, neither the sadist nor the crushed aspirer. There are bits of all of them,

yet none is worked through. The full range of Languidge's formidable vocal skills are applied to the role; few singers can have shaded it more subtly, yet the colours do not blend into a rounded portrait.

But a youngish, handsome Grimes adds at last the extra

edge of conviction to his rela-tionship with Ellen; no longer must she be seen simply as the rescuer of lost souls, the doer of good deeds, but as a woman with a straightforward physi-cal attraction to this rough fisherman, so that his dis-missal of her attentions in Act 2 is the ultimate rejection, the last dream shattered. If Ellen emerges here in fully credible flesh and blood it is also a won-derful tribute to Felicity Lott's skill - not always fully in conskin – not always fully in con-trol vocally, especially in the lowest register, but consis-tently believable, magnetic to follow around the stage, and projecting every word in a way that is unique in my experi-

Macintyre's Balstrode is uncomplicated, but spoilt somewhat on this occasion by some rough intonation; other newcomers include Anthony Michaels Moore, following the Thomas Allen tradition in the role of Ned Keene, though making him even younger, even more dapper, and even more opportunistic, and Sarah Walker, bringing a wholly indi-vidual persona to Mrs Sedley. John Dobson has switched reli-gions from Bob Boles to the Rector, while Elizabeth Bainbridge continues as Auntie as she has in every performance since this production was first seen in 1975, though she has a new pair of Nieces in Judith Howarth and Gillian Webster.

Norrington presides over this revival with variable conviction, and a wide range of tempi, including what must be the fastest Storm Interlude on record. The chorus sounds underpowered. The production, originally Elijah Moshinsky's responsibility, has been restaged by Jeremy Sutcliffe, with lots of new business, but is finally beginning to date.

Andrew Clements

Hamlet

OLIVIER THEATRE

Ian Charleson has taken over the Prince of Denmark from Daniel Day Lewis at the Royal National. Mr Charleson's admirers must be warned that he is at first unrecognisable. A sinus operation has left his face temporarily swollen, his eyes deep slits above puffy cheeks. One feels utmost sym-pathy at the rotten luck of this extra barrier between an actor and his audience.

All other barriers are triumphantly surmounted. This is an andience-friendly Hamlet, a civilised, mature, witty and eminently decent prince with whom one would willingly discuss architecture. The actor's method is naturalistic; the odd line is muffled by throwaway delivery but this is generally a finely-spoken reading. The voice is light but keen, throat-ily smarling in rage — and the

rage makes sense, ironically, in this amiable context; for Mr Charleson gives us the reasonable man surrounded by unrea-sonableness, the civilised human plunged into barbaric nightmare.

A buoyant "To be or not to be" epitomises his virtues. Every hypothesis, digression and turn of the argument is clearly thought out and con-veyed. If, by the paradoxes of the actor's craft, Mr Charleson can work on a semblance of spontaneity, this will be a memorable interpretation. Already, for humour, anger and intelligence, it is one of the best all-round Hamlets going. Michael Bryant's Polonius

remains remarkable, more than ever on the verge of senil-ity, with sudden lunges of bullying rage as reminders of his ruined authority – a domestic

Lear in the making. Newcomers to the cast have yet to set-tle in. Sylvia Syms has not decided what to do with Ger-trude, so does nothing — a surprisingly negative performance from this actress. Jeremy Nor-tham goes through the motions adequately as Lacrtes with a minimum of feeling, and Paul Jesson's Horatio is so colourless as to be almost invisible. On the plus side, David

Burke is a good, unexaggerated gravedigger and Crispin Red-man is a sharply characterised Rosencrantz, genuinely dis-tressed by his old princely friend's derangement. But the last lines go to a Fortinbras whose elaborately tortured enunciation is unlike anything heard on this stage before, or even in the RSC.

Martin Hoyle

First connoisseur of British art

Susan Moore reports on the Tarbley collection

off, expiring in a cloud of smoke and an explosive shrug. And an expletive. For this is a script that will also give bad offered his British paintings to the nation in 1823 in the hope that they should form the nucleus of a national collection. His language a good name. The text is a spiralling literary delight, vivid and dark, bilariously funny and mordantly offer was declined. A year later, Lord Liverpool's government acquired instead 38 Old Masters amassed by the Russian emigré banker Sir John Julius Angerstein as the basis for the National Gallery. A National Collec-tion of British Art — the Tate —was

interesting genesis: his archi-tect father designed the Lyons Corner Houses (his son washed up in them); his mother was an opera singer (her son a stageonly established some 70 years later. No doubt Lord Liverpool considered hand at Covent Garden). At Pangbourne naval college he became addicted to gambling, in the Coach he is "done" by religious and allegorical painting in the grand tradition more appropriate to a public collection than the kind of the inspectors for non-payment of betting taxes on a book he native, domestic painting that one would find in a gentleman's house. has opened. Bernard's Sobo is also the disappeared play-ground of Frank Norman and However, Sir John had created a far from typical gentleman's collection.
Like most young men in his posi-tion, he made an extensive Grand Dylan Thomas, of Francis Bacon and Lucian Freud.

Tour. Unlike them, he returned -Even if this were not the apparently - without a picture, unaffected by the grandeur of Classical antiquity. He developed a passion for contemporary British painting that led him to patronise the leading artists of his day (the only glaring omissions are Constable and Wilkie), and to open his gallery to the public as a showcase for British art. He was the first major connectsour and collector nity to others' feelings. The man in question is very proba-bly a shit of the first order. But Waterhouse and O'Toole pres-ent one of the greatest comic creations of our day. to reject Old Masters in favour of a native tradition. By his death in 1827 he had

Opera Orchestra conducted by Arturo Tamayo(47425871).

Thestre Royal de la Mounale.

The Flank in the Fall of Lague

Disaster Utopia directed by
Frederic Flamand, a multi-med

production by Fabrizzio Piessi with music composed and per-formed by Michael Nyman, Sat,

The Netherlands Opera with Ari-one et Barbs-Blau, by Paul Dukas, directed by Philippe Sirguil, with the Netherlands

strent, with the Netherlands Philharmonic conducted by Henry Lewis. Kathryh Harries and Roger Soyer in the title roles (Fri, Mon, Thur). Muziekthester. (255 455).

Amsterdam

Vienna

Michael Coveney amassed a purposety catholic collection of over 200 pictures, with 11

Turners at its core. Although he had been created Lord de Tabley in recognition of his support of British art, it was not enough to secure the future of his pictures. His executors sold the

London gallery and 55 paintings.

What was not dispersed in the 19th century and in the 1920s remains at the family seat, Tabley House in Cheshire. In 1976, the fine Palladian house, its pictures and some 3,677 acres, spurned by the National Trust, were given to the University of Manchester. At last a tenant has been found to restore the house, Cygnet Health Care Pic, and the collection long out of the public eye — is to be opened to the public in April 1990. To whet our appetites, a selection of 30 are on show at the Heim Gallery, Jermyn Street until November 21.

Images of Tabley itself dominate the show. House and park are repre-sented by Anthony Devis and Henry Thomson, and with sparkling fresh-ness in a newly cleaned early Turner. The extent of Sir John's patronage of James Northcote quickly becomes apparent. Highlights include a bravura piece of Romantic painting by James Ward, "Fall of Phaeton," an uncommonly good John Martin – a rose tinted apocatypse of the destruc-tion of Pompeii and Herculsneum – and Fuseli's haunting "Friar Puck." To my mind, however, the tour-de-force is a canvas inherited by the 5th baronet: William Dobson's dashing

portrait of the Royalist cavalry com-

mander John, 1st Lord Byron, proba-bly painted at Oxford during the Civil War. It is a composition of verye and war, it is a composition of verye and dramatic contraposition and rich Vergatian colour. Lord Byron stands side on in front of twisting Salomonic columns and pointing to a battlefield, his black page holding a noble white charger stolen from Van Dyck. One can almost feel the softness of the borse's muzzle, the bloom of the horse's muzzle, the bloom of the page's face, and the texture of his broadly rendered red velvet doublet.

The presence of a number of family pictures confuses our idea of Sir John's taste, and indeed the selection here, unavoidably, is not fully representative of his original collection. There is only one Turner, no Gains-borongh or Wilson, Beechey or Hoppner, although he was a major patron of the latter. It was Hoppner whom he chose to record the barely covered charms of his exceedingly youthful mistress Miss Emily St Clare as Venus, jealously chaperoning all her sittings.

After his marriage to the 16-year-old Georgina Cottin at the age of 48, he sent the Prince Regent's portrait painter William Owen ahead of him to Tabley to remove all the portraits of the delightful Emily. Sadly, if not unsurprisingly, all traces of her were removed from the house after Sir John's death. It would be marvellous to see all of the pictures of his historic collection reunited once more, however briefly.



William Dobson's portrait of John, 1st Lord Byron

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FINANCIAL TIMES

ARTS GUIDE

Continued from page 14 OPERA AND BALLET London

Royal Opera, Covent Garden.
The latest revival of the 1975
Peter Crimes brings a promising gast of newcomers — Philip Langridge in the title role, Pelicity
Lott, Donald Mcintyre, Sarah
Walker and Stnart Kale — and
Roger Norrington as conductor.
Die Walkere in the production
by Goe Friedrich adapted from
his Berlin staging, is distinguished above all by Bernard
Haitink's magnificent conducting
and the vocally unsurpassable
Wotan of James Morris.
English National Opera, Collseum, Kurt Well's marvellous
Broadway opera Street Scene
coines to London after being
shown by Scottish Opera earlier
in the year. Devid Pountney's

in the year. David Pountney's production, designed by David Fielding, is conducted by Carl Davis, the cast includes Kristine Clesinski, Jamis Kelly, Bonaventura Bottone and Richard Van

Alian. Ballet The Royal Ballet brings in its over-complicated Swan Lake (Sat matinee, Wed).

Thestre de la VIIIe. Trisha Brown Dance Company presents, aspert of the Paris Autumn Festi-val Son of Gone Fishin, Neutork, Glacial Decay and Astral Con-vertible (42/42277). Opera. Jul Rylian opens the Paris Opera season with Tanto-Schul to Mauricio Kagei's music and Sinfonietta to Janacek's music accompaniedby the Paris

Opera, Last season's successful Marco Arturo Marelli's *Madame-Butterfly* production returns with Keiko Kamegawa, Chieko Shira-saka, Lando Bartolini and Ludwig Banmann

Frankfurt

Opera. Behind the China Dogs has choreography by William Forsythe and Amanda Miller. Forsythe's ballet is belle's Danis revived. La Finta Giardiniers the first new production this season, by the Canadian pruducer Robert Carsen will be con-

Cologne

Opera. The first co-operation between the Düsseldorf Opera and Cologne Opera will be the Staatsoper. Kabuki-Theatre from Tokyo. Volksoper, The week's performances: Eine Nacht in Venedig; Die lustige Witwe, Mignor, Wie-ner Blut: Der Zigeunerbaron, Coal fan Tutte, and Die Fledermaus.

Opera. Arabella expertly conducted by Guseppe Sinopoli was well received, when it opened last week with Lucia Popp in the title role, Angela Maria Riesi, Bernd Weikl, Poter Seiffert and Povid Griffith Zer wind Zenter. David Griffith. Zer und Zie monn is a well done repertoire

cer Robert Carsen will be con-ducted by Frankfurt's director Gary Bertini. Also offered Un Ballo in Maschera.

and Cologne Opera will be the new Wagner cycla produced by Kurt Horres. The premiere of Dos Rheingold, conducted by Hans Wallat has a strong cast led by Hanna Schwarz, Anne Gjevang, Bestrice Niehoff, John del Carlo, Matthias Hoelle, Martin Finke and Etter Schwelkart. Die verkaufte Braut rounds off the week.

Ballet del Testro Lirico Nacional in the two act ballet La Fille mal Gardie, choreographed by artistic director Maya Plisetskaya, with Juan de Udaeta conducting the Madrid Symphonic Orchestra. Ends Oct 21. Testro Lirico Nacional la Zarzuela (429 82 25).

Madrid Autumn Festival. Sala Olimpia, Musical version of King Lear performed by the Kathakal Lear performed by the Kathakali group from Kerala, India. Shake-speare's words substituted by music and dance, thus recover-ing the atmosphere and style of India's ancient theatre. Directed by Annette Leday and David Macruvie. Ends Oct 22 (227 48 22).

Teatro dell'Opera. Alvin Alley's American Dance Theater (8 46.17.55).

Testro Alia Scala. The Bolshol State Opera on tour with Proko-fiev's Dusma, and Mussongaky's Boris Godunov (80.91.26).

Florence Testro Verdi. The Scala production of *Don Chisciotte*. Choreography by Nureyev, danced by the Maggiodanza Company (212320).

New York

Metropolitan Opera. Julius
Rudel conducts Il Barbiere di
Siniglia in its first seasonal performance with Marilyn Horne,
Stanford Olsen and Gino Quilico
in Sonja Frisell's production.
The week also includes Franco
Zeffirelli's new production of
La Traniana featuring Edita
Gruberova, conducted by Carlos
Rielber, and Christian Bades
conducting Aida in Sonja Frisell's production. Opera House
Lincoln Center (362 6000).
Joffrey Ballet. A new Gerald

Aromo ballet opens the three-week New York season, which also includes the premiers of also includes the premiere of a new staging of Nijinskya's Les Noes and revivals of Ashton's Haminations and A Wedding Bouquet in the company's exten-sive repertory. Ends Nov 19. City Centre (581 7907).

October 20-26

Chicago Lyric Opera. Carol Vaness sings the role of Vitella and Tatiana

Troyanos is Sextus in Francois Rochaix's production of La Cle-menza di Tito conducted by Andrew Davis. Jiri Kout con-ducts Der Rosenkuvalier with ducts Der Rosenkavaller with Anna Tomowa-Sintow and Julian Patrick (332 2244). Ballet Chicago. The company's second season takes Johann Strauss's operetta as transformed by choreographer Ruth Page and danced by principals Sherry Moray, Menard Stewart and Petra Adelfang (Wed). Chicago Theatre (983 7575). Ballet Folklorico de Mexico. Amelia Hernandez leads her comamena harnandez isans her con pany through the paces of the lively, varied, and innovative choreography of Mexico (Thur). Auditorium Theatre (922 2110).

Vienna State Opera. Viaggio in Reims by Rossim, conducted by Claudio Abbado, with Cecilia Gasdia, Lucia Valentini-Terrani, Ruggero Raimondi (Tues, Thur) Tokyo Bunka Kaikan (725 888). Star Dancers Ballet: Giselle, choreographed by Peter Wright; with Kumi Oyama, Zhang Weiginang (Wed), Sakiko Arai, Nobu Nagase (Thurs). Yubin Chokin Hall (401 (Thurs). Yubin Chokin Hall (401

SALEROOM

Immune from market shocks

The sighs of rallef were almost audible across the Atlantic: the first major sale of the new art market season at Sotheby's Market season at Sotheby's New York on Wednesday evening was a resounding success. The 44 paintings from the collection of the late John T. Dorrance, Jr, the son of the founder of Campbell Soups, brought in \$116,182,000 (273,2m), with just 2 per cent uppeld Twenty nine paintings unsold. Twenty nine paintings

broke the \$1m barrier. Sotheby'a had touted the Dorrance dispersal, which continues until Saturday, as "certainly the most important collection of art ever to come to auction," at least in terms of cash, and so it is proving. The forecast of £100m will be comfortably exceeded.

The top price in the auction of his impressionists was the

of his impressionists was the £7.8m paid for "Femme à l'ombrelle rouge, assise de profil," painted by Matisse in his hotel room to Nice around 1920. It is a highly coloured and vibrant mix of reds and mauves showing a lady on the balcony of her hotel and it set an auction record for the artist. One of the record for the artist. One of the finest examples from Monet's "Haystacks" series sold to an American private buyer for £5.4m.

An encouraging feature was the continued strength of Japanese buying. Aska Interna-tional, which recently acquired a 7 per cent stake in Christie's, paid £5.2m for "Au Mouling

Rouge," an early Picasso of 1901, his first year in Paris, and £4.5m for "L'homme est an mer," painted by Van Gogh in 1889 and depicting a weary woman sitting by the fire awaiting the return of her fish-erman husband.

New bidders on the international art scene are the Taiwaneese, who can now axport capital more easily, and a buyer from there secured a Monet, a serene river scene at Argentsuil, painted in 1877, for 24.16m. Another Japanese dealer acquired a typically pretty Renoir, of a girl in a red dress, for £3.6m.

There were three more artist records — the filam paid for a pair of paintings by Vuilllard, part of his Streets of Paris series which were used as panels to decorate the rooms of friends; the £485,200 for "Le canal en Flandre" by Theo van Rysselberghe; and the £363,900 paid for "Neptune," a Newfoundland dog painted by Lendseer in 1824.

The prices proved that the art market at the highest level is still immune to any fluctua-tions on the world's stock markets. However the Dorrance paintings, bought over the last 30 years and lovingly used to decorate his estate outside Philadelphia, were of the highest quality.

Antony Thorncroft

FINANCIAL TIMES

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Friday October 20 1989

Mr Lawson stands pat

THE UK is now entering the second year of the Chancellor's blip. Recently released information on prices, unemploy-ment and, most important, money supply suggests that the blip goes on. So, it appears, does the Government's current policy – a pragmatic outcome of disillusion and disagreement. At least the Chancellor himself retains the confidence of the successful pilot execusion. of the successful pilot, even if the boat itself is somewhat bat-

tered by now.
In his speech at the Mansion
House, Mr Lawson restated the essentials of current policy, the proposed changes being mere details. What stands out above all is the confident assurance that the British economy will, in the end, respond to the current hrand of pragmatic monetary fine tuning. "It would be foolish," he asserts, "to ignore any relevant information or to try to rely exclusively on a single indicator."

Faute de mieur the Chancel-lor confirmed that M0 retains pride of place, but M0 is not returning the Chancellor's affection. Over the last aix months it has been growing at a seasonally adjusted annual rate of just short of 9 per cent. as against a target for this financial year of 1 to 5 per cent. The much lower (and distorted) figure of 4.5 per cent for the year as a whole looks cer-tain to rise once more.

Lending buoyancy

The continued decline in unemployment and the buoyancy of lending, despite almost a year of base rates of 13 per cent or more, are remarkable. "The slowdown has not hap-pened as quickly as I expec-ted," is the Chancellor's wry comment. "In particular, per-sonal savings have fallen fur-ther than anyone, inside or outside the Treasury, expec-

ted." The British spender is, indeed, a marvel.

Apart from more general comments, the Mansion House Speech is the occasion for details like funding. Although the policy remains "to ensure that, over time, any net intervention is sterilised, that will be done as and when appropriate, and is not necessarily within the financial year in which the intervention takes place." By treating Treasury Bill sales as outside the defini-

tion of funding, he will also modestly reduce the scale of the buying in of gilts. The principal criticism of

present policy is not that the Chancellor has eschewed credit controls, on which he made telling points; nor is it his pragmatism about means; it is the pragmatism about ends that causes concern. He has repeated his opposition to devaluation; none the less, the pound has devalued. He has stressed his determination to control inflation; none the less, inflation has risen. It is far more difficult than it should be after ten years in power to read this Government's inten-

Disturbingly flexible

Perhaps these difficulties would have been resolved if be would have been resolved if be had persuaded the Prime Minister to accept full membership of the exchange rate mechanism of the European Monetary System. But this is the key point of disagreement within the Government.

He reiterates the Government's commitment to join the MS during Stage 1 of the

ment's commitment to join the EMS during Stage 1 of the Delors "recipe", "once our own inflation has come down and progress has been made with the abolition of exchange controls and other key aspects of the singla markat." This remains a disturbingly flexible

He also confirms his deeply felt opposition to the subse-quent stages of the Delors approach, which he exceriates as "a centralist and bureau-cratic agenda". One cannot complain about his stress on the "evolutionary" approach to economic and monetary union. None the less, the idea of competing currencies that he pro-poses, while attractive in itself, is simply not an alternative to the Emu desired hy other members, but only a complement to it.

What is more, the greater the difficulties into which the UK economy has fallen, the greater the difficulty in exporting the British policy model. Mr Lawson's blip must obviously be on its way out when next a Chancellor rises in the Mansion House, if the Government is to retain either its

Remember **Barlow Clowes**

TODAY MARKS the first anniversary of the publication by Britain's Department of Trade and Industry of a special report on the Barlow Clowes scandal. One year on, this saga is developing into a case study of how Governments can push embarrassing issues out of the headlines, and avoid debate about the accountability of

In June last year, serious questions were being asked about the way that the Trade Department had handled Bar-low Clowes in the period of four years since it had been licensed as a securities dealer. With the savings of some 18,000 investors in jeopardy, the affair was developing into one of political as well as financial

Lord Young, the then Secre-tary of State, was forced to take the unprecedented step of appointing an independent investigation into his Department's handling of the affair. "This is an enquiry," he said "to determine the facts of what actually happened within the department and to determine whether or not the department is to blams in any way or whether procedures could be improved in the future." That put a stopper on political debate through the summer. There was no point in discussing the matter till the independent report by Sir Godfray Le Quesne - a former chairman of the Monopolies Commission - had been published.

Not full and frank

But when the report appeared on October 20, it was not quite the full and frank affair that might have been expected. "My terms of reference require me to investigate and establish the facts', not to express any judgment or opinions," Sir Godfray wrote. Moreover, he hed decided not to name any officials in the body of his report, but rather to name them in an appendix (E).
"I am told that you have decided to omit appendix E," noted Sir Godfray in a letter to Lord Young which accompan-

ied the report. The Government treated the report as e vindication of the Trade Department's actions: others were less generous. Although a case could indeed be made on the evidence that the judgments at each stage in the story were not unreasonable in the light of circumstances at that particular moment, enough was both well known and murky in the back-ground of Barlow Clowes to have put officials on red alert. Instead, they chose to place excessive reliance on the work of outside advisers.

Early rumblings

As early as May 1984, the Stock Exchange had reported a "vagua feeling of unease" about the firm's affairs: there were similar rumblings from the Bank of England and other City sources. Lord Young's refusal to accept any responsi-bility for the losses incurred by investors brought a political furore, which he again rode ont. And now there was another reason for inaction: the parliamentary ombudsman had decided to take np the case. The first thought was that he would have some conclusions by this Spring: in the event, it turned out to be "the most complex, wide ranging and onerous" investigation ever undertaken by his office. The ombudsman has still not reported: he retires at the end

of this year. From e political point of view, two issues remain unresolved seventeen months after concerns the Government'e moral responsibility to pay some form of compensation to investors in the light of the Trade Department's failure to appreciate what Barlow Clowes was doing, and to put a stop to

The other is a more general question of accountability. In 1954, a Conservative Minister of Agriculture resigned when his civil servants were criticised for their behaviour over a piece of land at Crichel Down: the official report named names, and recommended disciplinary action for the worst offenders. There was no suggestion of corruption or of wil-ful deception, but a price had to be paid for some grave errors of indgement. Such demanding standards may be a thing of the distant past, and there have been any number of Trade Secretaries to share the blame since Barlow Clowee started to go wrong. But where

Robert Graham examines President Salinas' efforts to reform Mexico

"THIS IS MY real office," says President Carlos Salinas de Gortari of Mexico, leaning across a small pine desk and glancing out of the window at the forest-covered Yucatan Peninsular 33,000 feet below.

Mid-morning and Mr Salinas is en routs from Mexico City to Cancun

aboard the presidential Boeing 737-400. His office is et the back of the aircraft in a specially constructed

Like his predecessors sitting atop Mexico's pyramidal system of power, President Salinas faces constant demands to visit the country's 31 states. Yet during his first 10 months in office, he has seized every opportu-nity to get out of the capital.

Informally dressed in open white shirt and dark trousers, the 41 year-old President exudes the health of a dedicated jogger. He clearly relishes showing the flag in the provinces and likes to give the he to the image of a desk-bound technocrat that has accompanied him from his Harvard PhD days through to his last post as Pianning Minister.

His entourage is small, universally young and so unpretentious their everyone seems almost swallowed up in the aircraft's plush blue leather seats. After breakfast, Mexican style (large and late in the day), he fields protections from debt to corruntion (large and late in the day), he hens questions from debt to corruption with good humour and fluency. He shrugs off the clockwork precision with which he has delivered on some of his electoral promises and the skill with which he has managed to establish his own authority.

A year ago as president-elect, he was saddled with the widely repeated charge that he won office through

charge that he won office through massive fraud. He lacked stature and looked vulnerable to the growing opposition movement that was coalescing round the charismatic nationalist figure of Mr Cuauhtemoc Cár-

All this has been quickly reversed His agenda, with its centreplece the deregulation of the economy, is setting the pace and wrong-footing his

opponents.
"Luck has helped our decisions," he says; and only when forced concedes: "Yes, things have worked positively." Why has he acted where previous administrations have not dared -reining in the drugs mafia; curbing the private flefs of union bosses? "That you would have to ask previous governments. I can only say we have applied the law to individuals who have broken the law," he replies

Mr Salinas' agenda, centred on deregulating the economy, is wrongfooting opponents

sharply, parrying any suggestion his clean-up is directed more against indi-viduals than the system itself. "Do systems break laws?"

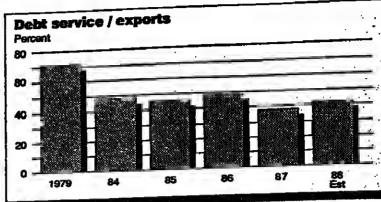
This confident performance, however, does not prevent him from con-tinually underlining the seriousness of Mexico'e plight. On the July agreement with the commercial banks on \$53bn of medium and long-term debt which he believes could cut the amount of capital that Mexico exports as debt service from 6 per cent of gross domestic product to 2 per cent, he argues that it was the best that could now be achieved.

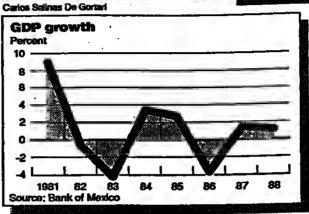
"When I presented the agreement to the Mexican people, I told them that this was not the solution to our problems . . . Mexicans will still have to go on working very hard to increase their standard of living. The debt agreement does not allow for a relax-ation in the domestic effort or in the discipline of public finance... but the result will be shown now in the

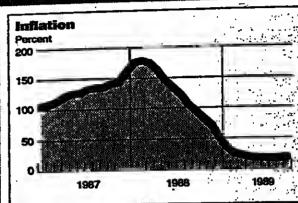
Early success in the laboratory

Mexico's economy









recovery of growth and not in permanent stagnation and recession."

The economy has begun to pick up faster than expected. Mr Salinas announced this week that growth is running at an annualised 3 per cent, donbla official projections at the beginning of the year, but the Presi-dent and his economic team are concerned at possible inflationary conse-

"We don't want the recovery to be too fast because the lack of investment in previous years means that we could find shortages and bottlenecks. Therefore we are emphasising invest-ment in infrastructure in order to be able to sustain the rate of growth."

In the competition for scarce public sector resources, he has no doubt his priority must be for social spending. Ha cites as an example the recent privatisation of the airline Mexicana. had to make a choice between channelling the resources from the debt renegotiation to buy the 30 or 40 aircraft that the modernisation of Mexicana needs or to provide water for popular housing areas (colonias populares) . . . The choice was very clear to me . . . I decided to sell Mexicana so that the private sector, either Mexican or foreign, will be able promote the required expansion." Similar considerations apply to other areas of transport and communications auch as Telmex, the national telecommunications company. "Telmex needs between \$6.5bn

and \$10bm for its expansion in the next five years. This is the sama amount needed to modernise Mexico's educational system. Since I will not have simultaneously the resources required for the expansion of Telmex, I will sell Telmex and privatise it." The private sector is also being brought in to build roads on a toll

OBSERVER

basis. Today, Mr Salinas' first call, after a brief official welcome in the steamy tropical heat of Cancun airport, is the opening of one such privately funded venture. This will extend the existing 128 km road along the flat Caribbean shoreline to the Maya archaeological site of Tulum, stimulating a further increase in the already considerable tourist development round Cancun.

After a brief ceremony inaugurat-ing the roadworks, the presidential party moves off by bus to visit one of the many shanty towns that have grown up on the back of the Cancun tourist boom, Cancun's 240,000 popu-lation is increasing at a staggering 27 per cent a year, with over 70 per cent living in shanty towns. This was no more than a fishing village 15 years ago. The luxury of the tourist complexes beside the squalor of most Mexicans' living conditions is an elocated and the supplementary of the divide between quent comment on the divide between modern and traditional Mexico that

Mr Salinas is seeking to bridge.

The President is visiting a shanty town which he toured last year as president-elect after it was devastated by Hurricane Gilbert. He has come to see whether all that was promised by The colonia consists of wood or adobe huts with dry leaf roofs set amidst the receding remains of forest. Electricity pylons are still being erected and the road is pot-holed from tropical storms.

The community has turned out in force to listen to the President who has been seated in the middle of a crowded podium underneath an open awning. Five residents in turn welcome their leader from the Big City and express their grievances. Although they are carefully chosen supporters of the ruling Institutional Revolutionary Party (PRI), their mes-

sage is: "We appreciate what you are doing - but . . . The complaints are uniform. Insufficient police to prevent drugs, robbery, rape and illegal occudrugs, robbery, rape and llegal occupation of land; too costly transport; inadequate teacher/student ratios; lack of street lighting and proper pipes for fresh water. "Let us liave street lighting at least to see better when we are attacked," said one woman to loud applause.

The President listens, occasionally taking notes. As each speaker fin-

taking notes. As each speaker fin-ishes, he embraces them and is ustishes, he embraces them and is usually handed a written petition: a time-honoured practice reflecting the all-too justified Mexican belief that only a president can cut through red tape. He then speaks for ten minutes. Despite the holes of the wind tearing at the awning and a woman unexpectedly jumping onto the podium with a petition (who is treated with embarassed tolerance by his bodyguards), he appears at ease and to be thor-oughly enjoying his job.

What he lacks in charlsma is cont-

pensated for by his youth, and the directness of his language. Without raising expectations, he tells his audience they deserve more and he will do best to ensure they get more -The applause is restrained, suggesting the sober tone of his comments has

heen understood.

As he mingles briefly with the crowd afterwards, three people caich his attention and he invites them on to the presidential bus for a brief chat and a soft drink — smart public rela-tions perhaps, hut also a way of gain-ing insight into the thoughts of the silent majority.

His next engagement is on more familiar territory: meeting and addressing Latin American Finance Ministers and Central Bank Gover-

nors over lunch at a government guest house. Everything is very informal and he is on first name terms with many. He is able to play host in the knowledge that Mexico has been lauded in Washington for its economic policies and obtained the first debt reduction deal with the commercial banks.

Before hinch there is time for a highly visible encounter with Mr. Jesus Silva Herzog, a former Finance Minister. Mr Silva, who had been a powerful rival for the presidency had caused a stir by comments that the economy was being opened up too quickly. The next day a front page photograph of the two appeared, indicating presidential reconciliation with a man who could still be a political heavyweight.

This is a reminder that President

This is a reminder that President This is a reminder that President Salinas, far more than his recent predecessors, has to play politica. The PRI is going through a delicate process of reorganisation in which the old "dinosaurs" are being cast aside and a new "modernist" philosophy is ann a new moderns: panosopy is being imposed on the party. The PRI is working hard at its own transformation, he says, aware that the party has to adapt to the reality of political phiralism. In July, the PRI conceded defeat in the election for the conceded defeat in the election for the governor of Baja California, the first time any state has ever been allowed to fall into opposition hands. Mr Salinas finds himself in the curious position of a popular leader, according to the polls, yet representing a party which enjoys little public respect.

Significantly, Mr Luis Donaldo Colosio, the hand-picked new president of file PRI, is accompanying him on this trip. The President clearly hopes that the PRI can establish a hopes that the PRI can establish a new appeal both through internal reform and by demonstrating positive economic results. This is the tight rope he is dow walking while he balances expectations against results.

He worder "very much" about the He worries "very much" about the growing dependence upon foodstuffs imports. "We have 85m people in Mexico: during my administration another 16m will be added. We have

to feed all of them. Productivity has not grown in rural areas. Imports of foodstuffs have increased. For the moment, the PRI apparatus

is helding the unions in check and this permits the continuation of a price and wage restraint pact with them and the employers — which is the basic pillar of his economic strature. egy. The pact has worked in bringing inflation down from 200 per cent in We have 85m people:

during my administration 10m will be added. We have to feed them all'

1987 to 17 per cent this year for two reasons. First, there is a consistent macroeconomic policy that calls for price stabilisation as a priority; and second, the dialogue between labour unions, producers and government has allowed us to accommodate different interests without having to increase prices and without short-ages." The pact is due to end in March and Mr Salinas envisages a gradual liberalisation of prices. Economic talk absorbs the Presi-

dent as he winds up his visit to Cancum. At the airport he is deep in conversation with Mr Pedro Aspe, the 39 year-old Minister of Finance. Watching these two youthful people discuss the affairs of such a large, complex nation, they seem to possess all the enthusiasm of post-graduates challenged with a laboratory experiment. And indeed Salinas' Mexico is a giant experiment in modernisation which is being watched eagerly for results throughout Latin America.

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Shirley stirs it up

■ Steve Shirley takes over as President of the British Computer Society next week - the first woman to hold the job. It is an honorary post and lasts only a year, but she says she has already done all the plan-ning. "I'm a manager. I do make things happen, even if I do not have all the original skills."

Shirley started with British Telecom, then ICL. She launched her own company - now tha F I Group - 20 years ago. "It's just about in the top league of UK systems compamies now," she says. There is some thought of going to the market in the next two or three years, but like everybody else she is wondering about the timing: the effects of high interest rates, how the next privatisations go, possible recession and the date of the

general election.

Meanwhile, she is allowing F I Group to be run by another woman, Hilary Cropper, as chief executive. Shirley will get on with stirring up the British Computer Society. She wants it to move out of London a decision already taken in principle - and would prefer to set up its headquarters in Swindon or Coventry. She would not be averse to a major sponsorship. "What if the new

lace were called the Sony

Building?" she muses. Much of the emphasis during her Presidency will be on marketing. "Strengthening the bridges between the computing profession and the business world at large," is her way of putting it. "There is a tendency to push down the decisions on information technology to the technical people," she says. "It is the British executives who must be prepared to get their hands dirty and use computers in the boardroom:" an odd image for computers perhaps, but showing the strength of her feeling. Not least, the Society must

become more involved in

national issues, like hacking.

The Society has around 30,000 members, 9,000 of them students, and a staff of 65. Shirley estimates that the UK informa-tion technology community is about 300,000. Everything should be bigger by the time she has finished.

Press laws

■ Slight shock for the British press: Tim Renton, Minister of State at the Home Office, told a seminar yesterday that the Calcutt Committee, set up to make proposals on media law, will now report by Easter
- rather earlier than expected Although Renton said that the Government is still against statutory regulations, that means that MPs will be queuing up to introduce Private Members' Bills on such matters as the right of reply next

Much current talk is about newspapers appointing their own Ombudsmen. Sir William Wood, a former civil servant, told the seminar that he had been Ombudsman to the Mirror Group for five years. appointed by Robert Maxwell, but had been given nothing to do. Ken Donlan, the Ombudsman at The Sun, however, is now very active.

Baby talk

■ Some of the gossip at the Commonwealth Conference has turned to mothers and babies. The warmly applauded return of Pakistan to the Commonwealth and the presence in Kuala Lumpur this week of Benazir Bhutto, complete with husband and one-year-old son, has provided a new focus of attention. For a start, it meant that Denis Thatcher had another male to walk with during the Parade of the Spouses at the opening cere-



the weekend when tha leaders head off for their traditional informal retreat, accompanied

by a solitary aide. Benazir is understandably taking her haby along to the holiday island of Langkawi, but in an addition to an aide she needs a nanny. Never before have the conference organisers had to face such a request. But then neither, according to conference sources, has a pregnant mother previously headed a Commonwealth delegation.

Sudden death

■ Anyone who has met Mirab Kostava, doyen of the dissident movement in the Soviet republic of Georgia, will be shocked to hear the news of his death in a motor accident last Friday. Kostava, who was 50, was six foot tall, had e shock of white hair and a huge white moustache. Clad in a black suit, he could be seen walking the streets of Thilisi in a delib-

erately upright posture, like

some regimental sergeant

major. His life was devoted to the struggle for Georgian nationalism, as a result of which he was regularly in prison. Between 1977 and April 1987, he was in internal exile, after which he returned to Tbilisi to play an active role in the demonstrations that have taken place there in the past

year. Two inquiries — one official, the other unofficial - have been set up in Georgia to investigate the accident.

Direct approach ■ Star-studded though the line

up for Rupert Murdoch's new financial firm was yesterday, the real moving force behind Marriott Moore was a 35-year-old lady, Patrice Marriott. Marriott is an Anstralian who spent much of her career as a corporate lawyer to the acquisitive Elders IXI. She saw a lot of Australian entrepreneurs needing sound advice on how to break out into the wider world, and this gave her the idea of a small advisory

One of the first people she contacted was Rupert Hambro. She then managed to get hold of Rupert Murdoch's personal fax number and sent him a proposition. Murdoch was intrigued by the idea and became the first to put money on the table. After that, the pieces fell into place quite quickly.

Now her plan has come to fruition, how does it feel to be running one'e own firm in what is still, essentially, a man's world? "That is a 1970s" question," she said with some impatience.

Flattering

A reader who had his hair cut in a Mayfair hotel reports that the barber shop assistant had a new (to him) way of encouraging tipping. "We get many distinguished gentlement in how the first many at the first many than the first many tha in here, sir, but you're the first Significant Moments OMEGA CONDUCT YOUR OND STREET, THE TRULY T

nitain's Conservative Govern-ment may come to regret the day it picked a quarrel with the organised medical profes-

the organised medical profession.

This has nothing to do with whether the doctors are right or wrong On many of the current issues in dispute they are as obtuse and self-seeking as ever it has little to do with whether their trade union, the British Medical Association, is an honographe organisation of not its long history of battle with governments is evidence enough that when it fights, it fights dirty.

The problem is more insidious than either of these it is that the current contract being offered to General Practitioners in the National Health Service, plus the proposals for an

Service, plus the proposals for an internal market within the NHS itself, were both conceived when the tide of hard ideological Thatcherism was running high. That tide is now flowing out. The battle-lines were drawn that the control of the contro shortly after the triumphant election shorty after the trainpaint election victory of June 1987, when the Tories thought they could win against anyone. The battle is being fought now, when some Conservatives fear that they might lose — even against a Labour Party led by Mr Neil Kinnock. By the time of the next general election By the time of the next general elec-tion, which is probably about two years eway, the thinking behind all of it—the new contract for GPs, the internal market, self-governing hospi-tals, own-budget group practices and the other paraphernals of competi-tion-led water for money in the pub-lic services—mark he witting on the lic services — may be rotting on the beach. It is at that point that the Tories could be at their most vulnerahle on a question which favours Labour – which party is most likely to ensure the preservation and

It is clear that Mr. Clarke's job is now, quite simply, to minimise the political damage done to his party

enhancement of the NHS? This will not decide the outcome of the elec-tion, but it could give Labour an extra edge if the distance between the parties is close. Mr Kenneth Clarke, the Secretary

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of State for Health, is aware of this. He foresaw some of what has hit the Government. Last summer, soon after taking up his present post, he told his Cabinet colleagues that if they went ahead with the proposals for the restructuring of the NHS there would be blood on the Nor. There is it is be blood on the floor. There is. It is not, however, BMA blood, but Conservative blood. This is not to say that the doctors will have their way in the end. That depends upon the many other factors which will determine whether or not Labour pulls off a political miracle and wins next time around. What is clear is that Mr. Clarke's job has now been clarified. It is, quite simply, to minimise the political damage done to his party.

POLITICS TODAY

The doctors carve up the Tories

By Joe Rogaly

The BMA, many of whose members no doubt vote Conservative, will not make it easy for him. The doctors opposed the National Insurance Bill introduced by Mr Lloyd George in 1911. They collected 33,000 pledges of resignation from all Friendly Society and entire resembles. and similar communal insurance con-tracts, and greeted subsequent Government concessions by moving the goalposts. They did not, however, have the stomach to carry out their threats of resignation. By 1913 Lloyd George had his health insurance

scheme in place.

History repeated itself in 1945-48, when the BMA fought scalpel and stethoscope against the National Health Service proposed by Mr Aneu-rin Bevan. As the NHS Act passed through Parliament in 1946, the BMA organised a poll of doctors, 54 per cent of whom voted against negotiations with the Government. A few months before the introduction of the service on July 5 1948 the doctors voted again. They were even more damning: in an 84 per cent poll they rejected acceptance of the NHS by 40,814 votes to 4,734. At this time the Gallup poll was finding close on 70 per cent public support for the emerging health service. Support has remained as high or higher; ever since. Mr Bevan offered a face saving con-

cession, an amending act promising that the doctors would not become salaried servants of the state. Yet in a third BMA referendum the vote was still against — this time by 25,842 to 14,620. Within that total the GPs were still opposed, but the majority was too slim to threaten obstruction. If you consult the account of these vigorous skirmishes in Mr Michael Foot's brilliant biography of Bevan you cannot fail to sympathise with Mr Clarke. As Bevan himself put it, "the most eloquent politicisms in Great Britain are to be found in the medical profession ... indeed I've been learning quite a few tricks in the last year or

Yet that is not the end of the story. From 1911 to 1964 GPs were paid a "capitation fee" — so much per patient on their lists. Some wanted a price for each service, but there was overwhelming opposition to the idea of a state salary. By 1964 general practice was the poor relation of the NHS, with doctors struggling with lists loaded to capacity. A negotiation for a fresh contract began; in the end the



Labour Health Minister was bounced by the BMA into many elements of the contract that Mr Clarke is amend-

Not all of it is bad. It reduced the capitation fee element to under half of the total, provided for payments towards premises and group practices and, taken as a whole, raised both the status and the performance of general practice. The doctors had for once successfully used the 1911 tactic: some 17,800 letters of resignation from the NHS were waved in the Government's face. As a trade union, the BMA proved again that it is particularly obstreperous, perhaps because it is extremely democratic and ruled by a rank-end-file composed of busy protessional people.

It is hardly surprising, therefore, that Mr. Clarke does not see much future in offering compromises to the BMA, in spite of its members' rejection of the new contract and the sub-

sequent mutterings about resignations. Either he wins, or the doctors do. Unfortunately for him, and for the Tories, he has become entangled inmore than one battle, on more than one front. He formed his opinions on the desirability of a new contract for GPs when he was Minister for Health in 1982-1985, under Mr Norman Fowler. That was a period of Thatcherite ascendancy. It seemed only natural then to propose a new deal that would demand specific services, and more of them, for the same money — and add to competition for petients by increasing the capitation element in the package from 47 to 50 per cent. That thinking is still reflected in the contract which Mr Clarke said this week will now be imposed since the doctors voted down the "commenda-

tion" of their negotiators.

The merits of the new contract are debatable; what is clear is that it constitutes part of a political hlunder buck it.

that the Covernment could only have made in the full flush of its third-term arrogance. The broad outlines of the new deal have been a matter of public debate since they were first published in April 1936. The ante was, however, suddenly raised in January of this year, unbelievably at the same time as the reforms of the NRS were proposed. The capitation part of the doctors' package was now to be not 50 per cant but 60 per cent. The pressure to tout for patients is thus to be increased. To get the same money as they do now, most doctors will have to contract to do more work, or attract more retients, or both. On the attract more patients, or both. On top of that the structural reforms Mr Clarke has in mind for the NHS are designed to establish greater accountability, more management informa-tion, and a theoretical increase in patients' purchasing power over the producers — that is, the doctors and other NHS staff.

This head-on assault on the prerogtives of yet another middle class prossion is understandable when you recall that January is an era ego in British politics: in those far-off days the encouragement of internal compe-tition in the public services was taken for granted. Today the words "internal market" are taboo, at least inside the Department of Health. Then, the Treasury saw the reforms as a back-door way of imposing cash limits on GPs' budgets; today it surely wouldn't dare. The strategy is to press ahead with both the contract and the reforms, but to sell them over the BMA's head by talking up improved services for patients and boasting about every extra pound of expenditure that can be found.

The time-table is close. The new contract will come into force in stages between November 7th and April 1st. Attempts to reject it by a negative vote in the House of Commons cannot be expected to succeed. The Queen's Speech will include a long and complicated enabling bill, to give Mr Clarke ample powers with which to launch his new self-governing hospitals, group practices and — pardon the expression — internal market. It is thought unlikely that this bill will be through until the middle of 1990 at the earliest, which means that even with preparatory work now under way the new system is unlikely to start life before April 1991 – just six months before everyone's favourite date for the next election.

For all its roughness in battle, the BMA is a law-abiding union. It is likely to accept the new structure once it is enacted. It may therefore behave quite differently once the new arrangements are part of an Act of Parliament. Thus the Government will in that sense have its way. The cost, in votes, will depend in part upon the volume of surgery grumbles at the time, and in part upon the Labour Party's skill in exploiting what is still likely to be a high level of public disquiet. The only comfort, if comfort it be, that I can offer Mrs Margaret Thatcher is that those who live by the market eventually have to endure its fluctuations. You cannot

LOMBARD

Glasnost and the Soviet press

By John Lloyd

of the Revolution . . . the Pro-visional Revolutionary Committee has been forced to undertake a series of measures directed against the counter-revolutionary press. . . as soon as the new order is established, every administrative measure of restriction with

regard to the press will be lifted." Vladimir Ulyanov (Lenin); Chairman of the Council of Peoples Commissars. November 10,1917. Lenin may have meant that

ast statement (though in practice controls on the press were tightened through the next seven years of his life). We now know that press freedom, always a relative concept, can-not exist in any form for any length of time in conditions where political power is monopolised by one party. Sooner or later, one or the other has to give. Rither the press, having enjoyed some open space, is clamped, or the free circulation of opinione demands oppositionist political forms to lift them off the page. Since the latter are still banned in the Soviet Union, is Mr Mikhail Gorbachev resorting to the for-mer "administrative measures of restriction" to stop the awkward squad of Soviet journalism from whingeing, carping

and criticising? We should be clear about the effects of glasnost on the Soviet press - effects which the ambiguity in the meaning of glasneost itself points up. The word is commonly translated as "openness," but is more often used to connote "publicity." Much of the relative freedom the Soviet press has enjoyed under Gorbachev has been a mixture of both. Openness about the Stalinist and Brezhnev eras, about economic crises, about natural and other disasters, about the successes of capitalism is pressed into the service of the new regime to give publicity to the changes it has instituted and to differentiate it from the discredited past. Thus the press has gained its freedom on condition that it supports the reform process. The best known journalists – Fedor Burlatsky, Alexander Bovin, Yegor Yakovlev of Moscow

IN THE GRAVE crucial hour News and Vitaly Korotich of of the Revolution . . . the Prodegree or another seen their role as supporting Gorbachev, not least against his enemies within the Party and the bureaucracy.

"Dissidence" in the press has been from the conservatives. Sometimes it is carefully masked and sporadic, as in Pravda, which yesterday replaced its conservative edi-tor, Yuri Afanasyev, with the liberal-ish Ivan Frolov, former editor of Kommunist. Occasionally it is open, as the publi-cation of the famous Nina Andreeva letter mourning the passage of Stalinism in Sovyetskaya Rossiya last march.

But even an openness which is meant to have a certain direction creetes its own momentum. The journalists who have seen themselves as the cutting edge of radicalism do not also see themselves as party hacks. Some, like Burlatsky, were frozen out in pre-Gorbachev times for not being party hacks. Often admirers of the western press, they seek a sounder foundation for contin-ued and increasing liberty than merely the relative liberalism and political needs of the cur-rent general secretary. These new demands have

met old constraints. Mr Gorbachev is under intolerable pres-sure. He has swatted at the press. He told editors of the central press last Friday not to exaggerate difficulties for fears of "an anti-perestroika reac-tion." He has demanded the resignation of Mr Vladislav Starkov, editor of the bugely popular weekly Argumenti i Fakti, apparently for publishing a poll which showed that radical, and often non-communist, deputies to the Supreme Soviet were more popular than the run-of-the-mill, usually Party, ones. Mr Starkov's paper specialises in the facts. Mr Gorbachev has seemed at

times to be fulfilling Levin's promise, seven decades on, of restoring freedom to the press. Characteristically he has moved both ways at once the sacking of Starkov "balanced" by the retirement of Afanasyev. We have to bope, with the best Soviet journalists, that this is merely a temporary one step back.

The state of the s LETTERS

Clearing the market for City Technology Colleges second-hand aggression

From Professor Paul Ormerod.
Sir, Your excellent leader
("The boy who cried wolf,"
October 17) on the irrelevance made the point with great clar-ity when he wrote that "dan-gerous human proclivities can be canalised into compara-tively harmless channels by the existence of opportunities of stock markets in the successful post-war economies of Japan and the European continent is timely. As you note, the "ravings" of stock markets can do and have done damage to both the British and American economies. It is not a coinci-dence that these two least suc-cessful developed economies in the post-war-period have the most developed capital mar-

It is all too easy to overlook a fundamental argument in be rosming their streets! defence of the London stock! Rant Ormerod, market at a time when it can. The Henley Centre, have few friends left among. 14 Federa Street EC4

One-year rule on share sales

British industrialists. Keynes

for money-making which, if they cannot be satisfied in this way, may find their outlet in

cruelty and the reckless pur-

suit of self-aggrandisement." Thanks to the stock market, the cittiens of Woking and Weybridge can sleep safe in their beds, free from the threat

of the crazed psychopaths who

would otherwise undoubtedly

From Mr J.W. Healt?

Sir, Buying altered is usually West ples to attach such a consumer street of confidence in differ to their abares, in the a business and a wish to state way money managers and building societies do on deposite the confidence in the interests would be more objectively of the business by a prohibition on selling shapes within tracted from running it efficiency. Must British industry John Reid continue to be the plaything of Riccarine Search Lail. John Reid Executive Search Ltd. 84 Suprons Street, SW3 continue to be the plaything of stock exchange speculators for

From Mr Lee Bridges. Sir, David Thomas correctly highlights the political manocurring and uncertainty sur-rounding City Technology Colleges - CTCs - ("Schools initiative has lesson in uncertainty," October 17). Unfortunately, it is real children who

are the victims. My child attends one of the Haberdashers' Aske's Schools in Lewisham which are now scheduled to close in 1991 to be converted to CTCs. These two successful and popular compre-hensives have already faced 17 months of uncertainty while the plan has been debated and fought over, with no less than four High Court cases so far and two more pending. This is a direct consequence of the lack of any consensus among parents, teachers and the local community over the CTC plan.

In separate ballots organised by the governors last spring, the majority of parents at the girls' school voted "no" to the proposition that their school should become "one of a pair of CTC's." The boys' school perents voted in favour. Despite this, the governors and the Haberdasbers'. Company decided to push sheed with the plan to turn both schools into CTCs. The new Secretary of State for Education and Science gave his approval in exempted the Haberdashers'

Company from having to pay any compensation to local rate-payers for all the public investment in the schools dating back over 40 years. This money can never be recovered if the schools cease to operate as CTCs in the future.

The controversy is still going on. It is open to new governors at any time in the next two years to reverse the CTC decision. Unfortunately, their election/appointment, due at the beginning of this school year, has been delayed. The Secretary of State, in a move clearly designed to prevent girls' school parents from thwarting his designs on their school for a CTC, ordered that they should be denied a separate governing body from the boys' school. This is one of the issues now being fought through the

eventually go shead, it will mean two more years when the education of present pupils will be disrupted by building works, etaff turnover and absences for training and the breakdown of existing co-oper-ation with other local schools. How can "beacons of excellance" ever be created out such a sorry record of controversy, dispute, political and financial

racy? Lee Bridges, 124 Woodwarde Road, SE22

trickery and denial of democ-

Taking the magic out of the life assurance appraisal value formula From Mr Michael Freeman.

From Mr J.P. Barnon.

Str. it is time some of the mystique was removed from the subject of life assurance appraisal values discussed by Lex (October 16) with reference to the bid for Pearl.

Techniques for valuing life incurrence communics are not

insurance companies are not based on a magic formula. Appraisal values generally contain three main elements, capital and free reserves, the pres-ent value of future profits from existing husiness (husiness already written) and the mea-ent value of future profits from business yet to be written.

The valuation of the first two elements is relatively straightforward, although care should be taken in valuing the flow of profits from "with profits" policies. In valuing the third element, typically a mail-tiplier is applied to the value of an estimate of the current year's new business. Here there are a range of "reason-

affic assumptions, and hence a range of reasonable appraisal values.

As appraisal valuation should be regarded as a tool enabling the informed investor to make his own assessment of the value of the regarded. the value of the company. It is, therefore essential that suffi-cient information is provided with an appraisal value in order that the investor may examine the sensitivity of the

examine the sensitivity of the results to changes in key assumptions. What is danger ous is for a belf figure to be published as "the appraisal value," with no supporting data or sensitivity results. I look forward to the publication of Penil's appraisal value, and trust that there will be adequate disclosure of the assumptions underlying the calculations.

IP Remon

J.P. Bannon. William M Mercer Fraser, 14 Tothill Street, SWI

Sir, Lex's criticism of the life assurance appraisal value formula appears to be based on the universal human predica-ment of our lack of knowledge of future events. To accept his concern would be to preclade the use of any technique of share valuation based on fore-casts of future earnings or on future developments in the cor-

poration and the economy.

An appraisal value is not a magic formula. The present value of future profits is assessed after taking careful account of the company's cur-rent operating experience in areas such as policyholder surrender rates, corporate expenses, investment returns, tax and new business growth

rates.
Naturally, the assessment of the future outcome of these variables requires the applica-tion of professional judgment. Fortunately, the actuarial pro-

such advice, being able to draw on its considerable historic involvement in the financial management of the life assurance industry.

As many of your readers will know, the distributable earn-ings figures reported by life assurance companies in their statutory accounts are determined by reporting require-ments which ensure the financial security of policyholders. However, these figures do not reflect the true value of the operation to the company's shareholders. Appraisal values

— properly used and interpreted — can and do provide
the insurance sector investor with more representative data on the value of his investment.

This is true whether the company is quoted or not. Michael Freeman. Tillinghast, Castlewood House 77-91 New Oxford Street, WC1

Have You Ever Wished for a Comprehensive data on Japan's Financial Markets? and the property With the growing opportunities for global diversification of investments SMARGERIALS. LEED LEADING people around the world are focusing on Japan. NEEDS, Japan's most 江海教2757年25 comprehensive business database, is the only source that can provide the dependable, quality information and basic data about Japan you need to actively and intelligently work the market. THE PARTY NAMED IN Even if the CTC plan does NEEDS offers a complete range of basic and processed data of unmatched quality and quantity: daily stock prices of 2,000 listings in Japan for the past SST MICH 3 years, bonds, market indices, portfolio data which covers information on WE THE THE risk and return, detailed financial data on 5,000 companies over a 25-year STATE OF THE PARTY Ville de period, data on capital increase and bond floration, and more. Naturally, you'll have access to data on each of the succession of futures and options being offered from the very first day of trading. This tremendous amount of data is available through various types of services to suit individual requirements. NEEDS-BULK Street quotations are sent in bulk to your computer as soon as the Tokyo stock market closes.
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COMMONWEALTH MAJORITY UNDERMINED BY PRETORIA'S DEBT DEAL

Britain rejects extending sanctions

By Robert Mauthner and Roger Matthews in Kuala Lumpur Commonwealth partners were yesterday deeply divided over an Australian plan for develop-ing new financial pressures on

News that South Africa had negotiated an agreement to reschedule \$8bn of its debt has reschedule \$800 of its ueder the pulled the rug from under the the majority of Commonwealth countries, which had been advocating tougher rescheduling terms as the best way of encouraging Pretoria to dispersion of the country of the

mantle apartheid. President Kennetb Kaunda of Zambia castigated the inter-national banks as "bloodsuck-ers" for signing the debt deal, while many other leaders expressed their disappointment

in more prosaic terms.

By contrast, Mrs Margaret
Thatcher, Britain's Prime Minister, who had been informed of the agreement before its announcement, said it was, of course, the responsibility of banks to recover their debts. Western bankers involved in

the talks acknowledged that South Africa's decision to announce the deal on the eve of yesterday's session of the Kuala Lumpur Commonwealth summit may have added to the tensions surrounding the debate, but they defended the terms as the best obtainable.

The five-point Australian plan, proposed by Mr Bob Hawke, the country's Prime Minister, has virtually no chance of winning unanimous support because of Mrs Thatcher's opposition.

During a tense summit debate on South Africa, Mrs Thatcher said she wanted to make it clear that the UK
"would have nothing to do" with extra sanctions, which she considered to be counterproductive at a time of encouraging change in South Africa. Asked as she left the meet-

strike on the foreign debt front for months. On Wednesday

night it announced success:

creditors had agreed to res-

chedule repayments of some \$8bn of South Africa's foreign

debt. The terms will be tough,

but certainly not impossible to

the anti-apartheid movement

to pressure creditor banks either to refuse a rescheduling

altogether, or to insist on harsher terms, the new agree-ment in effect means an exten-

sion of the rescheduling deal

now in force. But South African officials

were at pains to stress yester-day that although a crisis had

been averted, pressure on the

country's balance of payments remained severe. "We will meet our new commitments as we did the previous ones — with difficulty," says Mr Chris Stals, governor of the South African Receive Bank

South African Reserve Bank,

"It is a deal South Africa can live with." says Mr Howard

Preece, an economist with

imposes a quite severe con-

the central bank.

Despite the best efforts of

and its stance was wrong, Mrs partners were Thatcher angrily replied: "Not for the first time."

Although the proposals will be further discussed during the informal weekend "retreat" of the leaders at Langkawi, the final communique of the summit conference next week is expected to make clear that Britain and the other member countries have agreed to differ.

Mr Hawke's proposal for "maintaining the pressure on South Africa," calls on all relevant banks and financial insti-tutions to tighten conditions on trade financing, in particular through reducing the maxi-mum credit term to 90 days. It also calls on relevant gov-

mum credit term to 90 days.
It also calls on relevant governments to make trade credits harder to get by taking South Africa "off cover" with government agencies for official trade credit and insurance purposes.

The most surprising and, to many observers the most unrealistic, element of the proposal is the exploration of the possi-

is the exploration of the possi-bility that the International Monetary Fund could work out a "supportive financial package" for Sonth Africa. This would be conditional on "structural political reform of a kind that could reasonably guaran-tee the economic stability of the country in the future."

Mr Hawke said it was "unar-gnably true" that the measures taken by the international financial community since 1985 had put intolerable strains on the South African economy. They had denied it the flow of new capital needed to finance its growth and had made it progressively harder for it to

support financially the expensive government apparatus of apartheid.

The essence of the message that the Commonwealth summit leaders should send to Asked as she left the meeting if the Commonwealth return to South Africa's eco-

Patti Waldmeir and Nicholas Woodsworth on the debt repackage

by critics as being tailored to help the Government over-

come a bunching of repayments on foreign bond issues in

those two years. Bankers said they were resigned to

criticism and that they extracted more than the Sonth

Africans were initially ready to offer. Critics say deal will

HE South African Reserve Bank had been planning a pre-emptive capital repayments to banks in 1990 and 1991, according to international bankers. However, the plan will be seen

help Pretoria over a crunch, Page 4.

straint on the economy."
The announcement of the

debt rescheduling drew strong

condemnation from the Afri-

can National Congress (ANC), and an appeal to the Common-

wealth to intensify economic sanctions against Pretoria.

its headquarters in the Zam-bian capital of Lusaka, the ANC said the timing of the

rescheduling announcement was a deliberate attempt to influence Commonwealth

countries meeting in Kuala Lumpur against taking a

firmer stand on international

Despite the rescheduling, South Africa's shortage of capi-tal remains a serious brake on

growth in a country whose African population is growing

by 3 per cent a year. Without any new capital,

In a statement issued from



Bob Hawke, Australian Prime Minister, calls for a financial

nomic and financial relations with the rest of the world only "when the ugly abnormality of apartheid disappears," Mr Hawke said.

Mr Hawke tried to put a brave face on South Africa's pre-emptive debt rescheduling agreement by stressing that it should not be seen as taking any great heat off the Pretoria government.

While he and other Commonwealth leaders had hoped that any such roll-over agreement

South Africa could perhaps

South Africa could perhaps manage 3 to 4 per cent growth. But while it is exporting capital at its current rate — R15tn (\$5.7\text{bn}) worth of foreign debt has been repaid since the debt standstill in 1985, and R10\text{bn} (\$3.8\text{bn}) more has left the country.

try through other chan-nels - the upper limit on growth is probably closer to 2

per cent. Wednesday'e deal will not

change that. Repayments of

debt maturing both within the so-called standstill 'net'

imposed in 1985, as well as out-side it, would total just under

\$2bn next year. And South
Africa will face further repayments of debt inside and outside the net of around \$1.5bn in

Recommists believe South

Africa would be able to meet

the new repayment schedule.

Text of Hawke proposals; Kaunda calls for action on des-

tabilisation; Thatcher anger,

But Nedbank economist Ted Osborn added the following

provisos: that the gold price did not fall dramatically, that

exports could be maintained,

that a substantial portion of debt maturing outside the net

could be rolled over, and that

pressure was kept on imports.

Mr Osborn welcomed signs

this week that imports were finally beginning to ease, leading to a widening of the trade surplus in September.

Economists agree that South

Africa faces a tough time ahead. Mr Barend du Plessis,

the Finance Minister, yester

day stressed the importance of maintaining strict monetary and fiscal policies in an

attempt to maximise growth, despite the constraint of debt

Yet employment, especially among blacks, will inevitably suffer from the effect of high

South African interest rates

- the bank rate was raised

from 17 to 18 per cent last

Low growth could exacer-

bate township unrest, as it did

in the mid-1980s. And at the current delicate stage in the

political process in South Africa, peace in the townships is of the essence.

eze on South Africa

much closer to the previous mid-1990 repayment deadline, the repayment was still on a tight schedule, with a higher level of repayment of principal required than in the first rollover - jnst as had been strongly recommended by the Commonwealth Finance Ministers' Committee on sanctions at their last meeting in Canberra a few months ago.

Tough schedule for South Africa

longer in force.
As a confidence-building

measure it was agreed to set up a joint working group to study ways of avoiding mili-tary incidents and to inform each other of military activi-- but Britain will main-

require entry permission.
On fishing, the two sides agreed to set up a working group, which will meet shortly to discuss conservation and other matters.

A British delegation will visit Argentina on November 27 to discuss trade opportuni-ties, and the Export Credits Guarantee Department will make available short-term cover for British exports. Britain will also remove its objections to Argentina signing a co-operation agreement with the European Commn-

Argentina and UK to re-establish consular relations

By Robert Graham in Madrid ARGENTINA AND Britain yesterday took the first formal diplomatic steps to heal the

scars caused by the 1982 Falk-lands conflict by agreeing to re-establish consular relations. The agreement followed three days of negotiations in Madrid between senior diplomats of the two countries under the aegis of the Spanish

Sir Crispin Tickell, British Ambassador at the UN and head of the UK delegation, said: "Wa hope that this is the first step towards the re-estab-lishment of full diplomatic

a six-page communique to meet again on February 14, 1990, in Madrid. Sir Crispin and Mr Lucio Garcia del Solar and Mr Lucio Galza dei Sola-e head of the Argentine dele-gation and President Carlos Menem's roving ambassador hinted that the meeting could be the occasion for fully normalising diplomatic rela-

Underlining the good working relationship established between the two countries since mid-August, yesterday's agreement covered all the most contentious issues between the two, except sover-eignty to the Falklands. Argentina had agreed before the talks that its claim to the islands would be put to one side.

In Buenos Aires, Mr Dom-ingo Cavallo, the Foreign Min-ister, pronounced that peace

ister, pronounced that peace had broken out between the two countries, although people generally showed little interest in the talks.

In Madrid, Britain and Argentina affirmed their commitment to settle differences peacefully and Argentina accepted that its state of hostilities with Britain was no longer in force.

tain, for the time being, its 150-mile protection zone. Britain bowever made an

important concession over the zone. The part facing southern Argentina — where for legal reasons the Falkland Islands fishing conservation area of 150 miles had not been fully to the concentration. extended — will be open to Argentine fishing vessels. At the same time, Argentine mer-chant shipping will no longer

Thin fare at the Mansion House

Anyone in the markets who still expected policy initiatives from the Chancellor last night rom the Chancellor last mght will have been sadly disappointed. This was Mr Lawson at his most obdurate. The UK will become a full member of the EMS, but there is no saying when. The exchange rate will still be supported, but there is no saying at what level Interstill be supported, but there is no saying at what level. Interest rates will stay high, credit controls are not on and the trade deficit will come down as soon as the public stops spending and starts saving again.

Even the rumoured changes in funding policy failed to materialise. Although not all the current bout of interven-

the current bout of interven-tion is to be sterilised within the financial year, there will be the financial year, there will be no return to overfunding. The only really useful bit of news in the Chancellor's speech was the suggestion that the author-ities are at last waking up to the problem of worsening liquidity in the gilt market and trying to do something about it.

Yesterday's economic data were not of much more help than the Chancellor. The growth in M0 - an annualised 8.7 per cent over the last six months — and the sharper-than-expected fall in unemployment suggest continued resilience in the economy; perhaps there were grounds for 15 per cent base rates even with-out the nudge from the Bund-esbank. The other figures were more ambiguous. The average earnings numbers appeared to be encouraging. But some of the most recent wage rises have yet to work through and, in any case, the statistics have been rebased.

On bank lending, the opti-mist would say that companies are borrowing more in order to invest: the pessimist that we are seeing the first signs of dis-tress borrowing. The misbe-haviour of M4 back in 1980-1 — which the Chancellor referred to last night — was due partly to a squeeze on com-panies caused by high costs and a rising exchange rate. The figures do not justify an immediate fall in interest rates, especially given the shakness of the pound; but waither are they grounds in neither are they groun themselves for another rise.

Sun Life

You need not be a flag-waving jingoist to find something unappealing in the idea of a nationalised French insurer and a South African magnate striking private deals over Sun Life Assurance. It is hard, none the less, to see realistic alternatives to the agreement Sun Life's 23 per cent shareholder

FT-A All-Share Index

UAP has struck with Mr Donald Gordon, whose TransAtlanone should be cynical about the claim that they were motivated by a desire to dispel bid apeculation and soothe the frayed nerves of Sun Life's employees. The nub of the agreement is that Mr Gordon will not make a bid, without UAP's prior consent and it is easy to see why this appeals to UAP; European insurers, especially state-owned ones, are hardly old hands in contested takeovers. tic group controls 29.8 per cent.

800 1987 1988 1989

takeovers.

Mr Gordon, on the other hand, can require UAP to buy his shares, at a price fair to both sides. It is easy to see why this appeals to him. 1992 and all that means that UAP's idea. all that means that UAF's idea of a fair price for Sun Life will most likely be higher than his. And since the arrangement closely resembles a deal Mr. Gordon struck in February 1983 over South African Breweries, one assumes he expects to benefit handsomely.

eries, one assumes he expects to benefit handsomely.

The stock market, which hid Sun Life's shares up 60p to £11.58p last night, thinks Mr Gordon will sell out to UAP sooner or later, triggering a full hid; this is probably right but the timing will depend on when he needs £300m, say, for his UK property empire, or to punt in another insurer.

In the welter of yesterday's

UK institutions

to overlook the second-quarter UK institutional cash flow figures. But they are more interesting than usual. Not before time, the data have been simplified, making it easier to draw sensible conclusions about the overall investment behaviour of long-term inves-tors. But perhaps more important, any lonely bulls left out there could find useful fodder by carefully grazing through the figures.

much as before. Institutional inflows continue to rise, but the proportion going into UK equities is steadily falling. Some £2bn went into UK equi-Some £2bn went into UK equities in the second quarter, while £3bn went-into equities overseas. A year ago, £3hn was earmarked for UK equities and only £245m for overseas shares. The £2.7bn reduction in gilt holdings was the highest in more than 18 months. Although the £485m invested in foreign government bonds was the highest for a very long time, the cash flow from the reduction in the institutions' gilt holdings is clearly not gilt holdings is clearly not being absorbed either by UK corporate debt or foreign bonds.

A BICC Company

bonds.

The other moderately bullish point is that the institutions are now net disinvestors from property. Although there are good reasons why they are placing an increasing part of their cash flow overseas, the latest figures help support the case that while the UK institutions may not be keen to buy the UK market, they are reluctant to sell down their positions while there is a limit to where they can put their money. can put their money.

Hays

Hays is rather unfortunate in falling into the Mrs Fields class of flopped offers-for-sale. It is a solid company, with some interesting commercial businesses and a good profits record. But as yesterday's announcements of poor rights take-ups by Wace and Acsis illustrated, this is not a time illustrated, this is not a time when investors are willing to commit much new money to the equity market. Only Polly Peck went against the frend with a take-up of 97 per cent. But that, given Mr Nadir's reborn reputation, may be part of the flight to quality. However, Hays will not suf-fer unduly. No doubt some institutions have opted to wait

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to buy in the aftermarket, where a holding can be picked up at a discount to the offer price. But if the market sus tains anything like its recent volatility, investors in MBOs understandably will feel that a trade sale is a more attractive way of realising their holdings than trusting to the vicissi-tudes of the City. And any companies wanting to reduce gearing via a rights Issue might be obliged to wait a while or issue at a deep dis-count; it cannot be easy to find underwriters at the moment. The water issues now look all the more certain to be priced as a loss leader for electricity.

reflective to the second

US prices rise by only 0.2%

By Anthony Harris in Washington

US CONSUMER prices rose only 0.2 per cent in September, half the expected increase, it

was announced yesterday.

The news was welcomed by the White House and in the markets. Bond prices extended their recent increases by a further ½ point. Mr Michael Boskin, the Chairman of the Council of Economic Advisers, described the figures as "good news," and said they validated Administration forecasts, which had earlier been greeted as unrealistic.

He said prices had risen only 0.4 per cent over the past three months, and that the underlying rise in the past half year - 3.5 per cent excluding the WORLD WEATHER

volatile food and energy components - was the lowest for

index had been rising at an annual rate of between 3.6 and 4.3 per cent since 1984, he said. The detailed figures from the Department of Labor show the the industry to claw back some of the 4.4 per cent price falls of in medical expenses.

which are causing a crisis in public and private medical

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24 76 C-Cloudy De-Detazio F-Fair Fg-Fog H-Half Te-Rain 24 76 S-Sun SI-Siest Sn-Snow T-Thursday

three years. Except during the energy price collapse of 1986, the total

June. There was a pause in the rapid rise in personal and edumain price increases in Sep-tember were in clothing, up 1.7 per cent, where the introduction of autumn lines enabled the previous three months, and

Medical treatment costs,

insurance, have risen 8 per cent in the past year, and seem to have accelerated recently. Food prices rose 0.2 per cent, maintaining the much slower rate of increase that started in

cational service costs, and transport costs fell again. The slower pace of consumer price inflation allowed some recovery in real earnings in September. They are officially estimated to have risen by 0.3 per cent in three months, but are still down by 0.8 per cent from September 1988. Real earnings have been down year on year in each of the past 12

Krenz warns opposition

Continued from Page 1

• When Soviet President Mikhail Gorbachev was in Ber-

lin two weeks ago, be gave Mr Honecker a lecture in adapting to change - in science and technology.

That was the version of the encounter given yesterday by Mr Gennady Gerasimov, the

Soviet government spokesman who sat in on the talks. His scarcely veiled message concentrated on the need to keep up with changes in society - and to catch up when

one falls behind. Mr Gerasimov diplomatically dodged repeated questions about whether Mr Honecker's decision to resign on Wednesday was a surprise or not – but he left little doubt about

the tenor of Mr Gorbachev's homily in Berlin. "The idea was very simple: one has to catch up with new developments. That was the tone of the conversation."

Mr Gorbachev's meeting — which took place with

the full East German Polit-buro, not just Mr Honecker alone – coincided with the 40th anniversary celebrations of the Communist Party

regime there.

The Soviet spokesman still insisted that it was up to the East Germans to choose how they adapted to changes in society. "In the GDR we have changes going on," he said. "Continuity and innovation is the slogan of the GDR. It is a very good slogan."

UK strongly defends economic policies

Continued from Page 1 distortions into account.

Meanwhile the Employment Department reported a season-ally adjusted 50,400 drop in the number of people claiming unemployment benefits, the biggest fall in unemployment since April. The 1.69m people claiming benefits represented 6 per cent of the workforce, the lowest since 1980. On the change in funding policy, Mr Lawson said the

Bank of England would

announce today details of an

experimental conversion of two

Depending on the response to this initiative, other conversion issues could follow, paving the way for a restructuring of Britain's national debt. He said that the Government

would no longer buy government bonds to compensate for tha reduction of liquidity in the economy caused by the present budget surplus. Tha decrease in liquidity has been seen in a rise in the issue of Treasury bills to ease problems in the money market. The Chancellor also said the

existing Government stocks into a larger, more liquid issue. Government would be flexible in the way it bnys gilts to "sterilise" foreign exchange market intervention to support the pound.

Mr Lawson said it would be a mistake to pay undue attention to bank lending figures which flew in the face of evidence that the Government's counter-inflation policy was biting and that money demand is slowing. The economic slowdown was underway but "clearly has further to go before the economy resumes it long run upward trend."



to look after the corporate body. In London, our hotel houses a rather In Riyadh, there's an indoor jogging

exclusive health club called The Peak, It's equipped with saunas, steam,

whatever breath you have

All our hotels run to

excellent fitness centres.

left in you.

track, so as temperatures rise, you can still run; while in Cologne our fitness weights, running tracks and a view centre computer will write you a across London that will take away THE work-out programme according to your stamina.

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International Recruitment Consultants London Paris Amsterdam Brussels Sydney

Chance to go for gold in Rio Pay levels By Michael Dixon

NOW here's a turn-up for the record book.

Over the past 16% years this column has lent a hand in searches for a great many different sorts of workers. But never before has it been asked to help in finding a top explorer, albeit of the geological rather than the

geographical variety:
To add sauce to the
novelty: the job, in Rio de
Janeiro, is offered through a
headhunter in Scotland. He
is Graham Walker of the
Anthony Nevile International Anthony Nevile International Anthony Nevile International consultancy who, since he may not name his client, promises to abide by any applicant's request not to be identified to the employer at this stage. The same applies to the other recruiter to be

mentioned later.
Mr Walker says his quarry
will join a firmly established
Brazilian group formed by
joint venture in the mid-1970s to pinpoint opportunities for big investment in mining. "The principal targets are precious and selected base metals, and the company in a rapid phase of growth has already brought two gold mines into production."

He adds that the incoming director of exploration will need to be highly skilled not only in the technicalities of that craft, but also in management. For the recruit,

while reporting to the group managing director, will act as chief executive of a selfstanding company and be accountable for its strategic, commercial, financial, legal and administrative affairs as well as for its technical

So candidates should be qualified geologists who have been fully responsible for running a commercially successful venture in precions metals exploration. ferably in Latin America. Those not already fluent in Portuguese and Spanish must be able and willing to learn at least Portuguese.

No pay figure quoted, but my estimate is upwards of US\$80,000 plus car and expatriate perks including free housing and help with children's school-fees. Inquiries to Graham Walker at 69 Midton Rd, Ayr, Scotland KA7 2TW; tel 0292

287969, fax 0292 611038.

Financial chief

FROM Brazil to Germany, where a group financial controller is needed for the operations of a food-industry multinational headquartered in the United States. The job is offered through recruiter Christopher Beale who says it carries responsibility for directing and controlling the

financial activities of four profit centres generating sales of over US\$200m, and involves much travel from the base near Frankfurt.

Besides being qualified countants and fully fluent accommans and may intent in German, applicants should already have managed the financial aspects of large-scale commercial activities spanning several countries. Salary about DM150,000 with results-related boms and car among other benefits.

Inquiries to Christopher Beale and Associates, 10 Carteret St, London SW1H 90P, tel 01-976 7701, fax 01-976

Going-rates

LASTLY today to the table alongside which gives the latest indicators of managers' pay in Britain as revealed by the Reward consultancy's twice yearly surveys, now covering enecutives working for more than 1,000 assorted

organisations.

Whereas the survey gives data on six managerial levels my table is limited to one. It is executives immediately below board-level except in small companies where they may be directors while doing similar work. Anyone who wants to know more should contact Bill Couldrey of Reward at Diamond Way,

(Basic Total money Rank One = Most senior Basic money salary reward rank of director in: 25,173 22,900 30,750 30,750 27,313 29,122 (26,967) (25,347) (25,000) (27,000) 38.000 Legal artvice 38,000 36,762 32,136 34,730 General management 24,000 (27,250) (25,855) (25,000) 27,313 29,122 27,300 28,000 26,339 27,805 25,000 26,000 25,000 25,990 24,085 25,000 23,740 24,683 24,100 24,683 24,150 24,532 23,980 24,385 23,375 24,000 29,988 23,605 Advertising & PR 21,250 22,850 22,482 22,727 21,455 31,200 33,195 22,500 (24,500) (23,250) 30,905 31,313 29,975 Finance & accounting (22,844) (21,065) 30,000 27,516 21,200 20,537 21,684 20,000 21,930 (19,950) (23,022) 27,365 28,651 Surveying/architecture (22,077) (21,500) **Data processing** 30,268 28,745 29,538 Personnel (22,500) 19,927 21,930 (21,000) (22,995) (21,000) (23,310)

20,000 20,937 20,800

19,733

19,630

17,550

18.662

20,192

Distribution Scientific department 19,446 20,185 Research & developme Administration Planning & sche 19,080 19,474 Engineering Purchasing Quality assurance 19,000 17,550

Management services All Rank-One managers

Stone, Staffordshire ST15 OSD; tel 0785 813566, fax 0785 The table starts with the basic salary and total money rewards - including bonuses

but not the value of in-kind perks such as cars - of the lower-quartile executive who would be a quarter way up from the foot of a ranking of all doing similar work at the same level. Next we have the equivalent figures, from both

the new survey and the one 12 months earlier for the median executive mid-way in the ranking. Then come the new findings for the upper-quartile manager a quarter way down from the top.

24,000

22,996 23,605 23,161 23,471 23,400 23,400

22,100 22,913

21,530 22,306

21,786 22,150

22,000 22,061

To allow for passage of time since the study was made, all figures should be increased by 3 per cent. Regional differences from the £24,000 overall median London by 15.2 per cent, Scotland by 3.1, South-east England by 1.8; lower - East-ern Counties by 5.2 per cent, North-east by 7, South-west by 8.3, West Midlands by 11.1, North-west by 11.5.

28,632

27 125 24 000

28,218

(22,451)

(20,309)

(20.266)

(19,570)

(20,000)

(19,120)

(19,040)

(21.614)

(20,060)

UPPER QUARTILE

26,795 28,406 28,632

25,000

28,870

Variances from the £24,000 by company turnover were: higher — £100m-plus by 15.8 per cent, and £40m-£100m by 7.7; lower - £15m-£40m by 2.6 per cent, £5m-£15m by 8.2,

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Close liaison with Corporate and Asset Based Finance Departments, within the Bank, demands first class inter-personal skills.

An excellent range of banking benefits will naturally supplement the

To discuss the requirements in greater detail call Chris Wingfield or David Williams or send, in confidence, a comprehensive CV to:

Williams & Wingfield Recruitment Ltd.

Tel. 01-623 9493. Fax: 01-929 0052. Astral House, 125-129 Middlesex Street (off Bishopsgate), London E1 7JF:

Consultancy Service Oil market Economist/Analyst (PhD, Dip., MCIM, MBIM) is available to undertake any Oil consultancy work, oil markets' research and analysis, feasibility studies and surveys. Ready to travel Worldwide at customer's request. For any services. Please contact or write to:

Dr.M.G. Salamen, Spring Croft, Sturt Avenue, Hastemere, Surrey GU27 3SJ, England Telephone: (0428) 4137 Fax: (0428) 56262

UNIVERSITY OF OTAGO Dunedin, New Zealand ASSISTANT

LECTURERS, LECTURERS OR SENIOR LECTURERS IN **ECONOMICS**

Applications are invited from those with experience in any field of aconomics. Particularly well

Salary according to qualifications and experience will be within the following scales: Assistant Lacturer NZ\$29,000 - NZ\$33,500; Lecturer NZ\$55,000 - NZ\$45,000; with a har at NZ\$42,600; Senior Lacturer NZ\$42,000 - NZ\$63,000, with a har at NZ\$57,000.

Intending applicants should write for further particulars to Appointments (37018), Association of Commonwealth Universities, 35 Gordon Square, London WC1H OFF, or to the Registrar, P O Box 55, Dunedin, New Zealand.

Applications quoting reference fumber ABS/47 close on 18 December 1988. Equal Opportunity is Employment in University Policy

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Our clients need experienced development capitalists and businessmen with experience of the technology sector.

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ASA International

Leading UK Merchant Bank

Reward Management

Group Remuneration Specialist

Our Client is one of the most prestigious names in the City and has an enviable reputation in its key areas of operation. It has a strong presence in the major financial centres of the

In this new post you will report to the Director of Personnel and advise on all aspects of remuneration and performancerelated pay. Your brief will be to ensure that the Bank's, remuneration policy is sufficiently flexible, competitive and imaginative to attract, retain and motivate high calibre people at all levels and to satisfy the needs of the organisation andindividual expectations. This will include a continuous review of how performance is rewarded, including the merits of incentive and deferred payments schemes and the concept of the total remuneration package. You will also be involved in the job evaluation process and in developing pay and benefit structures for different grades of staff, as well as establishing a comprehensive expatriate remuneration

policy and liaising with both the management of the Group's overseas offices and outside advisers.

Probably in your thirties and a graduate, you will currently be working at a senior level within the financial services sector, in a well-known management consultancy or in a 'blue-chip' organisation with a reputation for innovation in the remuneration and benefits field. This is a high profile role requiring both previous experience and an imaginative, intelligent approach as well as strong communication and presentation skills.

Arrinitial base salary of c. £40,000 per annum is envisaged and there are excellent benefits, including a discretionary bonus, car and a heavily subsidised mortgage facility.

ie write in sinci conlidence io John Cameron, quoting Ref. 987, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

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Winning in business requires constantly re-thinking and improving the way business is done. Not just once, but as a way of life. Gaining competitive advantage often depends on the ability to change rapidly. But change is difficult, Complex networks of inter-dependent functions and levels often create barriers between the strategic vision and practical marketplace results.

For thirty years, United Research bas been in the business of working with corporate leaders to make major change happen smoothly and effectively. Through this experience we have developed the multi-disciplinary know-bow, tools and methodologies to belp blue chip, well-managed firms clarify their complex husinesses so that management can focus on the the truly critical factors that are key to long-term success.

To continue our rapid growth in the U.K. and Continental Europe we are looking for results-orientated

bigb performers from a broad range of backgrounds who bave a well developed mix of intellectual, practical and interpersonal skills. You must have a record of solid achievement as a consultant or manager in a major business sector. We are particularly interested in people with strong (and preferably international) financial services backgrounds. Specific skills in insurance or retail banking in both business planning and branch management are required. A first degree is essential and a further qualification and/or fluency in a second language would be an advantage United Research's focus on the achievement of measurable competitive advantage for our clients requires interdisciplinary teams, often utilizing an information Technology core, integrating engineering, manufacturing, organisational and buman resource skills to better implement change. This stimulating teamwork environment provides a satisfying sense of individual achievement, as well as many opportunities to develop individual skills

and gain outstanding rewards based on performance. All of our consultants spend time in the U.S. whilst training but subsequent relocation is not necessary as the majority of assignments are at client sites in the U.K. and on the Continent, returning home at weekends. Please write with full C.V. to Scott Burton, Director of Human Resources, United Research Group,

11-14 Grafton Street, London WIX 3LA. Please quote Ref. FT189. United Research

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NIEW PRODUCTS AAA Rated Institutions

MARKETING: You will currently hold the position of Marketing Executive/ Relationship Manager within a Derivative Products Group or a principal Institution. Your career may be based either on specific product sales or geographical location. The department is keen to expand and is looking for progressive, dynamic individuals. SALES: Experienced Capital Markets/New Products sales people are required at all

levels by an aggressively expanding AAA rated institution. STRUCTURING: As an experienced Financial Engineer from a Derivatives/Fixed Income background, you will be able to illustrate your numeracy through a strong

academic background. **TRADING:** Traders with strong numerical background and experience in the Swaptions Market are currently being sought by a leading international house, Experience in developing relationships with clients is essential.

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Demand for high quality individuals in the Equity Markets is high. We are currently representing blue chip houses who require individuals/teams in the following areas:

U.K. Sales U.K. Sales to Europ European Sales to U.K. U.K. Sales to Japan Domestic/Euro Convertible Sales Japanese Equity Warrant Sales Financial/Insurance Sales Leisure Sales Brewery Sales
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German Equity Sales

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German Equity Research
Smaller Companies Resea
Engineering Research

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Brewers & Leisure

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We are seeking considerable growth in these and other areas. Should you require any further information on these and other positions please contact...
Wilke Brennan or Sean Lord on 01-439 1188 or 01-287 5704.

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Premier House, 77 Oxford St. London W IR IRB, England. Tet: 439 1188/287 5704 Fax: 494 0539 LONDON · FRANKFURT · NEW YORK

Major US Bank Career Opportunities for Credit Analysts

Our client is a leading American financial institution with a substantial and growing commitment to commercial and merchant banking in Europe. In line with the expansion of their operations, they are looking to fill the following positions in the Credit Products SENIOR ASSOCIATE: Responsible for a portfolio of customers and managing credit exposure across a variety of banking products and transactions. Candidates are likely to have 3-4 years similar experience and possess good PC financial modelling stills.

ASSOCIATE: Responsible for providing support in analysis, documentation and administration relating to a broad range of existing customers and new transactions. Candidates will most likely be graduates with formal bank credit training and will preferably have 1-2 years' relevant experience in a major financial institution.

CREDIT ANALYST: Working in a small specialist team, the analyst will be responsible for evaluating, structuring and managing credit exposure arising from transactions involving asset based lending/securitisation of assets.

These positions involve frequent customer contact and exposure to a wide range of banking products. For the right individuals, there will be opportunities to develop careers in marketing, product specialisation or credit with a major US Bank. Our client will also be interested in receiving applications from more experienced individuals looking for a long term career in credit analysis.

Remuneration will be the content of Remuneration will be highly competitive and will reflect performance; qualifications and experience.

Please apply with a detailed curriculum vitae and contact details to Kevin Byrne who will forward it directly to the client, Candidates should list on the envelope any institution to whom they do not wish their details to be forwarded.

76, Watling Street, London EC4M 9BJ

Tel: 01-2483653

ASSOCIATES CONSULTANTS IN RECRUITMENT

onathan Wren International

PROJECT FINANCE OFFICER

MIDDLE EAST

Our client's Project and Trade Finance Division is concerned with the following activities:

- structuring financial packages based on project evaluation
- and projected cash flows; securing lead manadates and management positions for project loans and negotiaiting management groups forming
- preparation of information memoranda and negotiating international loan and guarantee agreements.

Candidates, in their late 20's, should have had practical experience of international syndicated loans and buyer and supplier credit facilities, and be well familiar with supporting documentation requirements. A thorough training in credit and cash flow analysis is essential, as are PC skills.

Candidates are likely to have obtained the requisite experience in a leading merchant or investment banking environment. Alternatively they may be working in the Finance Department of an international petroleum company.

The successful candidate will work together with highly qualified and experienced colleagues of different mationalities. He will be offered an exciting and rewarding opportunity to acquire an in-depth knowledge of the financing of petroleum related projects.

Our client is a leading international financial institution located in the Eastern Province of Saudi Arabia. The appointment will be for an initial two year contract, renewable. In addition to a substantial tax-free salary, there is a comprehensive ex-patriate benefits

Interested applicants should forward a detailed curriculum vitae to Brian Jarvis or Roger Steare, or telephone as below.

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Marketing — UK Corporates

to £40,000 p.a. Leading International Bank, long established in London, seeks to further strengthen its UK corporate lending team. Candidates require appropriate qualifications, previous marketing experience and a blend of effective credit related skills.

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Active specialist unit in an established European Bank seeks an additional person to function independently within the learn. Candidates require cultivated corporate lending skills and a compriment to marketing and relationship management in the

Syndications Manager c£40,000 p.a.

hin a prime International Bank, the responsibility is for the entire dications function. A specialist role requiring a minimum of two us previous experience undertaking similar responsibilities.

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Reputable European Bank, expanding the London operation, seeks a person to manage credit business constructively and be responsible for assessment, documentation and administrative matters. Previous experience in either Property or Project Pinance

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A major and truly international Banking Group, further developing specific markets, requires an enthusiastic marketing person, aged early 30s, with a wide product knowledge. A new London based

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A leading International Bank, committed to London as a centre for international business, seeks an experienced specialist with a comprehensive product knowledge and aged early 30s, to co-ordinate and further develop the Middle-East business.

These situations represent a selection of current assignments from client banks comprising senior level positions created by a combination of planned expansion, business diversification and the decision to recruit locally for key executive roles. Each position offers an opportunity to join a quality organisation at a senior level of management and responsibility in response to either an actual or potential increase in business. There are consequently real opportunities for pertinant carear progression and the significance of the appointments will be reflected in the level of remuneration and benefits packages offered.

For further details please contact Frank Hoy, either by telephone or in writing.

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Gordon Brown

UK FUND MANAGER

City

c£45,000 + benefits + car

Our client, a major investment institution in the City, requires a Fund Manager to work in a small team investing in the UK Stock Market.

Candidates should be at least 30 years of age and a graduate with at least 5 years experience in this area. The successful candidate will also have a relevant qualification such as Stock Exchange or Society of Investment Analysts examinations.

To apply, please send your career details to Marilyn Davidson at the address below.

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RECRUITMENT CONSULTANTS GROUP

3 London Wali Buildings, London Wali, London EC2M SPJ Tel: 01.588 3588 or 01.588 3576 Telex No. 887374 Fax No. 01.256 250

A high-profile role in a successful property finance group with the opportunity to diversify within the project finance team.

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CITY

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GROWING PROJECT FINANCING DIVISION OF A MAJOR INTERNATIONAL BANK

Our client invites applications from professional bankers aged 28-35, with at least 5 years banking experience where the bank has acted as underwriter or participant in a range of transactions; this must include at least 2 years in property financing. The successful candidate will be responsible for structuring and/or participating in major property financing transactions with property developers/consultants on a secured basis or offering debt and equity investment by the bank's substantial client base. Key will be the blend of analytical, negotiating, operating and business development skills and the ability to contribute to the ongoing expansion of this tightlyknit and effective team. Initial salary negotiable £30,000-£45,000 according to experience and track record + excellent bank benefits. Applications in strict confidence, by telephone to CJRA on 01-588 3114 (day) or 01-673 6783 (evenings), or in writing under reference PFE 22762/FT. Letters will be forwarded unopened to our client unless you list banks to which they should not be sent in a covering letter addressed to the Security Manager; CJRA

Opportunity to gain new issues promotion experience, with scope for career development. -



CITY

£16,000-£22,000 + BONUS

MAJOR INTERNATIONAL INVESTMENT HOUSE

Our client has an established and rapidly expanding new issue business with Spain and to strengthen their team now seek a graduate (ideally Economics, Business Studies or Mathematics) with 1-2 years' experience of financial/credit analysis in a financial environment. The successful applicant must have good computer skills and using a sophisticated database will be responsible for researching the financial markets and for the preparation of the new issue proposals, pricing, checking of support documentation, etc. Good communication and drafting skills are essential and candidates must be self-sufficient and have the confidence for ourstance contact and todeputise for the Senior Account Manager in his absence. There will be the opportunity to travel and take on business development responsibilities. Initial remuneration is negotiable £16,000-£22,000+performance related bonus and benefits including mortgage subsidy. This package is negotiable for more experienced candidates. Applications in strict confidence, under reference AMSS4685/FT to the Managing Director, CJA. Candidates wishing an initial confidential discussion, please telephone 01-638 0680.

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON ECZM 5PJ. TELEPHONE 01-588 3988 q; 81-588 3676. TELEX: 887874: FAX: 01-256 8561.

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ACCOUNT MANAGER

City to £40,000 A high profile role has been created within a leading international investment bank for a graduate banker with strong marketing and credit skills. Working in the corporate division, you will be dealing with large multi-nationals and UK corporates and will be tuvolved with business development as well as credit requirements and approvals. Ref: 130117/sma

SPECIALIST MARKETING OFFICER

A major international bank is seeking an experienced Marketing Officer to join their team marketing a wide range of products, including LBOs and MBOs, aircraft finance and property to major UK corporates. The ideal candidate will be a graduate with a strong credit background. Excellent promotion prospects within this progressive environment. Ref. 128993/ama

£33,000 + benefits

City

£35,000 * benefits

An excellent opportunity for a relationship banker to join this major US bank. Working within a team servicing the needs of large multinationals, responsible for the provision of all the bank's products including capital markets and structured finance. Experience should include US credit training and a successful track record in marketing. Ref. 129888/sbt SENIOR ACCOUNT MANAGER

MARKETING OFFICER

A career opportunity for a management orientated graduate banker to join a significant European bank. Responsibility for developing relationships with existing UK Top 100 clients and presenting a broad range of products. Strong communication skills and the ability to motivate a team are essential as management involvement should follow within 6-9 months. Ref. 123279/sbt

For further information about these or similar opportunities please telephone or write to MANAGEMENT PERSONNEL 25 City Road, London EC1Y IAA

> Management Personnel LONDON GUILDFORD ST. ALBANS WINDSOR, NEWBURY BRISTOL CAMBRIDGE

Group Compliance Executive

West Yorkshire

Tel: 01 256 5041 (24 hours)

Pax: 01 374 8848

Our client is a major provider of consumer focused financial services. Recent changes in legislation, allied to new product development, leave the Group in; a strong position to exploit current market opportunities.

Reporting to the Head of Group Audit and Compliance, the Group Compliance Executive will be responsible for maintaining and developing existing compliance policies and procedures and representing the Group to the S1B, other regulatory bodies and professionals within the compliance field. An important aspect will be the ability to lisise closely with senior management on regulatory implications of established and new products and to comment on the wider legal issues involved.

to £30,000 + Car + Mortgage

Ideally, candidates will be qualified professionals with sound compliance knowledge, preferably gained within a compliance department or regulatory body. It is essential that all candidates can demonstrate well developed interpersonal skills, combined with a versatile and enquiring mind. This is a high profile role within the Group and prospects for the successful candidate are considered excellent.

Interested applicants should write enclosing a CV. to James J. Russell, quoting ref. 1.8505, at Michael Page Finance, 28-32 Sr. Paul's Street, Leeds LSI 2PX, or call him on (0532) 450212.

Michael Page Finance

International Recruitment Consultants

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GROUP TREASURY SENIOR DEALER - FIXED INCOME

Excellent salary plus Car and Financial Sector Benefits

National & Provincial Group Treasury is currently seeking a Senior Dealer -Fixed Income to complement its existing professional team.

A key role, the position offers the opportunity to work within a multi-currency environment managing Fixed Income and Bond market portfolios within an Asset/ Liability environment.

Ideally, the candidate should have proven market experience, be highly analytical, familiar with derivative products and demonstrate initiative combined with excellent communication skills.

The highly attractive salary package is indicative of the importance of the role and will include a company car, immediate concessionary rate mortgage, optional contributory pension scheme, BUPA, profit related bonus and relocation assistance where necessary.

Please write with full details to: Steve Dobson, Group Human Resources, National & Provincial Building Society, Provincial House, Bradford BD1 1NL, or please telephone Susan Patrison, Group Funds Manager on 0274 744885 (direct) for further details.

The Society is an Equal Opportunities Employer

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NATIONAL & PROVINCIAL BUILDING SOCIETY

LEASING VENDOR PROGRAMMES

Our Client a UK Merchant Bank seek to expand their highly successful leasing activities by moving into vendor leasing - manufacturers support programmes. On their behalf we seek two top quality leasing experts.

DIRECTOR LEASING neg. £40-£50,000 + full benefits

Probably a graduate aged 30-40 years, a senior marketing professional with success to date in providing innovative tailored financial solutions to assist suppliers/manufacturers product sales teams. Objectives will be to formulate, develop and manage this new division, produce both fees via advisory services and own book income. Product emphasis would probably be on 'low tech' eg commercial vehicles, yellow plant, machinery, etc.

SALES MANAGER

neg. £25-£30,000 + full benefits

Essential is a strong marketing track record in leasing coupled with good technical skills encompassing credit appraisal, documentation, together with good equipment knowledge. Principal tasks:- sourcing arranging and maintaining vendor programme schemes. Ideal candidate profile, graduate aged 25-35 years with excellent presentation, written and oral

Please send detailed cv or telephone BRIAN GOOCH during office hours on: 01-588 3991 or evenings 8-10 pm on 0255 673797. All enquiries will be dealt in stict confidence.

> OLD BROAD STREET BUREAU LTD STAFF CONSULTANTS 65 London Wall, London EC2M 5TU Tel: 01-588 3991. Fax: 01-588 9012.



Marketing Manager Global Fund Management Group Unit Trust, Life & Pensions Products Edinburgh:

Excellent salary and benefits package

Our client is the European subsidiary of a global fund management group with over £10 billion under management.

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Its life, pensions and investment operations are to be revitalised by the appointment of a marketing professional. Reporting to the Marketing Director, you will play a major role in product design, the preparation of promotional literature and the communication of product attributes and investment strategy to the direct and intermediary sales forces. In addition, you will provide valuable input into corporate image building and assist with the establishment of links with major institutional clients.

Ideally in your late 20's or 30's, your marketing skills will have been acquired

within a life office, financial services group or PR consultancy. You must be team orientated and willing to learn quickly and accept new responsibilities ine fast moving environment. Communication skills, both verbal and written, are obviously extremely

Opportunities of this nature are rare. You can develop your career within a worldwide group and realise your full potential in a wide ranging marketing role. In return, our client offers a high basic salary, quality car, share bonus scheme and other valuable benefits.

For a strictly confidential discussion ease telephone or write to Robin Douglas quoting reference 1233.



APANESE DIRECTOR

Beal estate development

Based London

THIS JAPANESE COMPANY, 6 major investor in and developer of commércial and leisure properties worldwide, is building up an enviable European projects portfolio. To facilitate rapid business expansion, a UK subsidiary is being established, creating a unique opportunity for a Japanese executive who seeks e longterm career in London.

Contributing significantly to the management and development of business throughout Europe, the Japanese Director will have prime responsibility for establishing and maintaining close links with the parent company and Japanese financial institutions.

A new appointment, it will appeal to Japanese nationals with entrepreneurial flair, flexibility and diplomacy who thrive on total business involvement and enjoy personal autonomy. Aged over 30 with an appropriate degree, you will have extensive experience of dealing at a senior level, particularly with bankers, on an international basis. A high standard of written and spoken English is essential; property/real estate experience would be

An excellent salary and benefits package will be negotiated to attract the very best.

To apply, please send cv, in confidence, to Mike Stockford, Ref: 3798/MS/FT, PA Consulting Group, Hyde Park Honse, 60a Knightsbridge, London SW1X 7LE, Tel: 01-235 6060.



Creating Business advantage

EXCEPTIONAL OPPORTUNITY TO PLAY A KEY ROLE IN A DEVELOPING PRIVATE BANK

THE COMPANY

 established bank with a solid specialist property lending business
 successful record of development - close relationship with other subsidiaries of parent group

THE POSITION

one of a small learn reporting to the Chairman responsible for developing and administering the bank's lending business; proactive style essential - potential for involvement in the financial/banking development of

QUALIFICATIONS

group as a whole - Mely age 35-45

- ACIE/FCIB sound banking experience gained in a first class institution specialist knowledge of property secured lending with proven record of

success in marketing and controlling a prolitable loan portiolio

performance related bonus and fringe benefits opportunity for equity participation

Please contact Norma Given, Director, on 01-623 1266

Telephone: 01-623 1266 Fax: 01-626 5258

CREDIT ANALYST

City

up to £30,000

An ideal next step for a Credit Analyst to join the Risk Management Group of this prestigious international bank.

This exciting opportunity involves joining a team of specialists undertaking reviews and analysis supporting the bank's Client Executives, Product Specialists and Traders. This key role offers the chance to work on a wide variety of credit and business issues relating to a diverse client base.

Applicants, in their late 20's, should be educated to degree level and have a strong Credit background ideally, but not necessarily, from a recognised training programme. At least four years' related credit experience with a leading financial institution is essential and knowledge of a second European language would be advantageous.

For further information please contact Judy Elmes on: 01 236 0723

WELL COURT ASSOCIATES

11 Well Court, London EC4M 9DN .. Tel - 01 236 0723, Fax - 01 489 8305



Assistant **Fund Manager Far East**

Globe Investment Trust P.L.C., the largest investment trust in the UK, manages its own assets of 51.5be in stock markets around the world and in a large unquoted portfolic. In addition, Globe has a pension fund management subsidiary - Globe Morley Limited looking after \$800m of clients' money.

The Position

A vacancy has arisen to act as Assistant Fund Manager on the Par-Eastern portfolios. Currently about \$180m is managed from the Par Eastern desk in two main portfolios. The job requires working closely with the Manager on investment decisions and dealing, mostly in Japan, but also in Hong Kong, Singapore and Australia.

Qualifications

The position would suit a graduate in their 20s, prepared to work hard, and be judged by their performance. Experience in the relevant markets would obviously be an advantage but not necessarily vital for the outstanding candidate. The ability to work as part of a small team of 12 fund managers is important, as are

An attractive and competitive package will be offered to the right candidate. Please teply in writing with full CV to: John Craze, Globe Management Limited, Globe House, 4 Temple Piace, London WC2R 3HP.



Globe Investment Trust P.L.C.

A French Bank in the City would like to engage the services of a:

> 1. OFF BALANCE SHEET TRADER: emphasising interest

rate futures; 2. FORES TRADER: emphasing \$/DM & S/FFR

Both should be 23 - 27 years old and be able to work independently and profitably - while fitting well Into a friendly team atmosphere.

They should possess proven track records working within an active trading environment.

Salaries are negotiable and will be highly competitive.

Kindly respond, with a full c.v., to:

The Treasurer Re: Fores Dealer 14th Floor, 1 Angel Court London EC2R 7HU

and PRODUCT SPECIALIST

We are an international software house and leading provider of financial services to the banking sector. Within our Financial Products Division we require a self motiveted professional to lead the sales and marketing of our Global Risk Management System.

Based in Frankfurt, the successful applicant will:-

Continue to develop our business relationship with international banks in Europe. Manage sales through to the signing of contracts.

Focus and direct the development of the system in line with merket requirements.

Applications are invited from persons with experience in banking or finence, a demonstrated ability in sales and marketing on an international scale, fluency in English and preferably one other European language, and familierity with software applications. The ideal candidate will be flexible, enjoy teamwork, and possess the initiative and perseverance required to play e central role in e key area of our

This opportunity offers the right candidate a chellenging and rewerding position in an expanding market - ideal preparation for 1992. Excellent career prospects with an international company, good working atmosphere, end an ettractive salary package.

To discuss this opportunity in greater detail applicants should call Gottfried Bach:-

tel:(+49 69) 71 91 940, or apply in writing:-

i.P. Sharp GmbH A Reuter Company Myllusstrasse 45 6000 Frankfurt/1 Germany



ACCOUNT **MANAGERS** IN FRANCE

Leading European Bank

OUR CLIENT, a leading European bank, is seeking several young banking professionals of British nationality for its regional bank in Normandy. Your function will be to mainly service a range of British clients operating in the Normandy region, and to co-ordinate activities between the company's London office, its regional headquarters in Normandy, and its various branches. A university graduate, you must have a minimum of two years' relevant experience gained in the banking and/or insurance fields. A good working knowledge of French together with the ability to integrate easily with existing teams are essential requirements.

This is an excellent opportunity to obtain operational European experience with one of the market leaders. Salary will be in the region of £20,000. Please write with full career details and photograph to Jurgen Möller, Ref. 9596, PA Consulting Group, 3 rue des Graviers, 92521 Neuilly-sur-Seine, Cedex, Paris, France. Tel. (G10) 331 4747 11 04.



Creating Business advantage



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EXCELLENT SALARY PACKAGE WITH BENEFITS

We are now seeking to expand our coverage and the level of service provided to institutions. This means that we have vacancies for key ledividuals to research companies and market original ideas to

Normally we would expect at least two years' relevant experience. reflecting the seniority of the positions available. However, In exceptional circumstances we would consider persons with industriel experience and the numeracy to carry out en analyst's duties.

Applicants should forward a hall C.V. to Julian Grice, Institutional Department Head, Henry Cooke Lumsden pic, 20. Box 369, No. 1 King Street, Manchester M60 3AR to arrive not later than 31st October.

HENRY COOKE, LUMSDEN

ONE KING STREET, MANCHESTER MOD 38N. TELEPHONE: OAI 834 7332 FAK: NAI-832 ANZ4

Jonathan Wren Leasing

CREDIT MANAGER

Extensive credit analysis experience gained within a small/middle ticket leasing environment is essential to enable the successful applicant to assume full credit team control and personal underwriting authority. A minimum three year track record of in-depth credit assessment encompassing balance sheet appraisal and asset/market analysis will enable the appointee, aged 27 to 35 years, to take full advantage of the excellent managerial opportunity currently available within this leading sales aid/vendor programme company. cf25,000+ full benefits.

FINANCIAL SALES PROFESSIONALS

Our client represents a major force within the leasing/asset finance market and seeks applications from proven 'high achievers', eager to apply their excellent financial sales experience and sound technical ability within a forward thinking and financially rewarding environment. Aged 23 to 30 years, of graduate calibre, applicants will possess at least two years experience of negotiating middle ticket leasing transactions and the drive and commitment to take advantage of the career opportunities available. £18,000 to £23,000 + bonus + car + benefits.

Please contact Sarah Stone or Keith Snow.

LONDON HONG KONG

MIDDLE EAST

SINGAPORE

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Cross-Border Corporate Finance, Turkey

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ACCOUNTANCY COLUMN

EC conference will concentrate the minds

THE EUROPEAN Commission has summoned a conference to discuss the harmonisation of accounting stan-dards across Europe. The meeting scheduled for next January - has concentrated the minds of the profession wonderfully on what harmonisa-tion has been achieved so far and the best way of making progress in the

A research document published this week by the Fédération des Experts Comptables Européens (FEE) — the body representing Europe's professional bodies which is today winding In its first environment control of the con up its first annual conference in Brussals — looks at the record to date, examining the accounting and reporting practices of 191 companies in nine member states for the year to the end

The research, compiled at the request of the Commission itself, looks at the extent to which companies have compiled with the EC's Fourth Directive covering basic accounting, which was adopted in 1978 after a gestation 15 years.

Although certain states, most nota-bly Italy, have yet to embrace the directive in their national law, the research shows that there has been a

research shows that there has been a basic degree of harmonisation.

Thus, for example, it was found that 188 out of 191 companies had adopted the directive's prescribed format for the balance sheet and profit-and-loss account. Virtually all the companies showed their stocks and debtors on their balance sheet. All but the companies showed the average. ten companies showed the average number of people employed during the year, and of the 118 companies

engaged in more than one line of business, 93 per cent gave a segmental breakdown of turnover as required by Article 43.1(8) of the directive.

However gratifying it may be to a fund manager to find that French, British and Belgian companies all have the same captions on their bal-ance sheets and all declare how many people they employed in 1987 or how big their debtors and stocks were, that is hardly enough on which to base a sensible investment decision. The research shows that the more important the information, the more likely there are to be divergences between companies in different mem-

There are myriad different ways of accounting for pension and tax liabilities, of valuing stocks, dealing with currency fluctuations or intengible assets. In the case of the intengibles,

Goodwill:

only 86 out of the companies show them at all and of those only 32 givenay indication that they are important. When it comes to the vexed issue of goodwill, there is no common ground, although the UK is clearly out of line in allowing its companies to write the stuff off against capital and reserves rather than

capital and reserves rather than amortising it against the P&L.

What that boils down to is that there is no real harmony of accounting standards in the EC. Indeed, as Mr. George Barthes, chairman of the International Accounting Standards Committee (IASC), never tires of saying, all the divergences and variations

that are to be found in accounting worldwide are to be found within the confines of Europe alone. The day when the investor will be able to look

when the investor will be able to look at the accounts of two companies in the same market and make sensible comparisons is still a long way off.

The FEE report does not look at the extent to which companies actually changed their accounting policies to meet the directive's requirements. They probably did — and will probably do so again as and when the Eighth Directive on consolidated accounts is incorporated into member accounts is incorporated into member states' laws. But the report does not make the obvious point that a direc-tive is not the best mechanism for inducing accounting harmony.

It takes too long for anything to happen, for a start, as the case of italy well illustrates. And, if the Fourth is anything to go by, a directive will shy away from prescribing a policy that would iron out ambiguities and discrepancies in a complex or controver-sial area. It allows too much liberty and too many derogations to membe states. Disharmony prospers. That fact has been spotted by EC bureau-crats and, lo and behold, a conference is scheduled for January.

Suddenly, those accountants who follow such arcane developments are worried that the conference will result in the Commission giving itself

some accounting teeth.

Hitherto, they have been rather giad that the directives did not work, for it meant that one did not have to face up to the formidable cultural differences underlying what on the face of it may seem to be no more than

-technical-rule differences.

Now there is at least the prospect of a battle between Anglo-Saxon-style, flexible accounting rules and the diri-giste, Teutonic sort. Being a bureaucracy inclined to deal only with Governmental bodies, the Commission will naturally tend towards the prescriptive approach, it is feared. What might emerge from the meeting is horror of horrors – a third tier of accounting standards to complement national and international rules. In principle, that would exasperate

businessmen who are already fed upwith the antics of the accountancy

profession — over mega-mergers as much as standards.

In practice, it could mortify Anglo-Saxon businessmen if they suddenly found themselves having to comply with rigorous laws on all areas of accounting instead of just

Contretemps

following standards. Conversely, German businessmen might become apo-plectic with rage if the Commission is tarnished with the IASC brush and makes them follow standards and not

It is in that context that the contretemps between the Big Eight (scon-to-be six) international accountancy firms and the professional chartered institutes of England and Wales, Scot-land and Ireland must be seen. The institutes last month circulated the big firms with the idea of setting up a European body to supervise the mentation of international standards (ie IASC standards) in EC mem-

ber states. The big firms were furious. ber states. The big firms were furious. The idea emanating from the profession seems quite sensible. The new body would be sanctioned by the EC. It would leave policing and enforcement up to the member states, it would be a Trojan Horse for Anglo-Saxon-type standards, and it would pre-empt the empire-building of those Brussels civil servants with an interest in accounting issues.

est in accounting issues.

There is even a model for that sort of organisation — Cenelec, the European Committee of Electrotechnical Standardisation_

However, it was tactically inept to let the cat out of the bag at such an early stage, for such an idea would make a good bargaining position of last resort in discussions with the

What annoyed the firms was a series of pejorative references to the proposed Dearing regime, which envisages setting up a Financial Reporting Council and three ancillary bodies. The firms argue that the pro-fessional bodies should be wholeheart-edly committed to the plans for a tougher standards regime in the UK. That might then be a strong position from which to deal with Brussels.

It is difficult to fault the firms' logic on this occasion. The UK needs a strong standards base and it would be helpful if the professional bodies would square up publicly behind the Dearing proposals and encourage the Government to get a move on. It is a year since the Dearing report came out and still we have no agreement on how to pay for the new regime, and nobody to implement it.

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Deputy Treasurer

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Financial Analysis

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Reporting to the Financial Director, this is a high profile role within the organisation, with early promotion for the candidate able to prove himself/herself quickly. The appointse will manage an Accounts team of eight staff and be responsible for the timely and effective provision of key information to the senior management team. There will be

c£30,000 + CAR + BENEFITS

significant input into analysing and improving profitability, budgets, forecasts and the development of the computerised

demands an innovative and creative individual who

can combine routine duties with specialist one-off

applicants must have a successful track record in a

projects in areas such as Burobonds, Commercial

acquisitions. Probably aged between 27 and 35,

A highly competitive remuneration package is

Interested parties should contact Nick Bennett

available. The potential in personal and

professional development is second to none.

Paper, systems integration and overseas

corporate treasury or related field.

on 01-831 2000 or write to him at

39-41 Parker Street,

London WC2B 5LH.

Michael Page City,

The position calls for a qualified ACMA/ACCA/ACA aged 30 -39, a team player with sound commercial awareness and proven mercial accounting experience gained preferably in both large and small company environments. Good interpersonal and communication skills are also essential.

Candidates seeking further information on this exceptional opportunity should telephone Jane Ross on 0483 740810, or write to her at Templeton Pijnacker, Helford House, Hook Heath Road, Woking, Surrey GU22 OQE. Fax 04862 70729.

TEMPLETON - PIJNACKER

FINANCIAL RECRUITMENT CONSULTANTS

Manager of Operations

Financial Services
Dublin

A major oversess bank group, with a substantial on-going international business, requires a Manager of Operations for its recently established, key subsidiary operating under the Dublin International Financial Services Centre Scheme.

The requirement is for an energetic, experienced Banker with a minimum of 8-10 years experience in the sphere of international trade finance, specifically in the areal of Documentary Credits/Documentary

The person appointed must be conversant with computer based operations and have proven

management capabilities An attractive remuneration package is available. If you would like to be considered for this appointment please contact Tom Yeaton at

Price Waterhouse Executive Selection Consultants Gardner House, Wilton Place,

Price Waterhouse



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Financial Director Designate

NORTH HAMPSHIRE, c. \$35,000+CAR

For this young, autonomous and dynamic company operating in the highly specialist field of image processing. The organisation has secured the position of a prime supplier in this sector and it's products enjoy a strong international reputation.

As a key member of a small but highly motivated management team, you will: be expected to make a significant contribution in driving forward the performance of the business, determining financial objectives and be instrumental in the planning process. Initial regulæments will include the development of accounting and information systems with the objective of providing sound and timely

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management information for controlling and planning the commercial success of the operation.

A gualified accountant, probably in the age range of 30-40, you must be able to demonstrate well developed commercial acumen in addition to sound technical skills. Ideally, you should have a background in the hightech sector with experience of supporting international contracts. Knowledge of US accounting requirements would be a distinct advantage. As an individual you must be a hands on and enthusias person, with the appropriate skills and personality to withstand the rigours of an enterprise enjoying considerable

growth. The position will involve some international travel of short stay

Please reply in confidence enclosing a coreer resume and quoting a doylime telephone number to Adrian Edgell, Coopers & Lybrand Executive ... Resourcing Limited, 9 Greyfilars Road, Reading, Barkshire RGI UG — qualing reference AEBO4.

Executive

Coopers Resourcing & Lybrand



W. London

to £35,000 + Car + Benefits



Our client, a global leader in international commodities, has Our chent, a goodal leader in international commodities, has retained its position through its ability to develop new and more effective ways of bringing basic products and services to consumers throughout the world. The company has the capability to respond quickly to changing circumstances allowing continued growth in traditionally cyclical bristnesses.

Recent internal restructuring has generated the need to recruit a Controller for the Africa Division. The role is based in London but has the potential for a limited amount of travel. With operating companies throughout Africa, the position has direct day to day responsibility for the finance and administration functions of our client's London based consultancy business, and supervisory and co-ordinating responsibility for the same functions in the African

This opportunity will appeal to a qualified ACA (aged 30-40) with a minimum of 2 years experience in an African country, probably with an audit firm, but possibly in commerce. The successful candidate must be able to communicate at all levels and possess the ability to deal with a fast moving and

challenging environment. Benefits include an attractive remuneration package, company car and the opportunity to both gain senior management exposure and develop an outstanding career

based entirely on merit. For further information in strict confidence contact Robert Walker or David Craig on 01-287 6285 (evenings and weekends 01-673 2386). Alternatively, forward a brief resume to our London office quoting Ref: KW 1053.

Financial Recruitment Consultants

29-30 Kingly Street London W1R 5LB Tel: 01 287 6285 Fax: 01 287 6270

Your Career, Our Expertise

Corporate Finance – City

From £28,000 + Bonus + Benefits If you are seeking exposine to both mainstream UK activities and cross-border US style transactions, you will relish the prospect of this transactions, you will reliable the prospect of this unique opportunity. This exciting start-up team, led by experienced City corporate financiers, backed by a leading US conglomerate, is committed to establishing a strong European presence. A bright, high-flying ACA, you should demonstrate realisence and initiative, and thrive in a performance driven environment. Ref: B263

Project Accountant - City To £26,000 + Benefits

One of the best names in the stockbroking world, our client has an exciting non-routine role for a bright newly qualified ACA. The successful candidate will undertake investigations into overseas acquisitions or restructurings, along with other ad hoc work. A European language would be

Financial Controller-SWI c.£27,000 + Car + Bens

Control the finance function of a prestigious restaurant chain from the attractive head offices of this multi-functional group. Recently qualified, with a hands-on approach and good knowledge of P.C. spreadsheets, responsibilities will cover the computerised accounting function, project appraisals and staff supervision. Prospects include rapid progression within the group's executive

Media Accountant-WI c.£24.000 + Bens

Using a strategy of carefully selected acquisitions, our client is a success story in advertising. They seek a newly qualified ACA to collate marketing and financial information on international

operations, and to provide high level reports to senior management. Strong interpersonal skills and a good scademic record are prerequisite. Ref: W251 an advantage. Ref: C352 For details of these and other vacancies please contact Jayne Smith or John Bowen on (01) 583 0073 or (01) 542 8868 (evenings and weekends), or send your CV in complete confidence to: 16-18 New Bridge Street, London ECAV 6AU. Fax (01) 353 3908.

BADENOCH & CLARK

Financial Director Make a Direct Impact on an Expanding Business

If you are seeking more involvement in general business management you will relish this excellent opportunity with an autonomous publishing subsidiary of a high profile international group. Its goal is to dominate selected financial information markets. This challenging role will involve worldwide travel and lay foundations for an international career.

Success will stem from your ability to improve management information systems, reinforcing the Managing Director's ability to anticipate problems and exploit opportunities. Managing a small team you will prepare in house budgets and accounts, act as Company Secretary and assist in the evaluation of international acquisitions and new product development.

You are a qualified Accountant, ambitious. energetic and probably under 45. You have excellent interpersonal skills and thrive on meeting tight deadlines in a dynamic environment. You can point to experience of systems development and contributing to management decisions. Exposure to publishing is an advantage but not essential.

Attractive rewards include a basic salary of circa 635,000 plus significant performance bonus, car and relocation assistance. Take the first step by writing with full CV to our consultants Richard Taylor or Patrick Hill of Aston Zoraster Limited, Westminster House, 58 London Street, Reading, Berkshire RG1 4SQ. Telephone: 0734 566123.

SENIOR EDP AUDITOR **UK AND EUROPE**

Surrey -25 mins Waterloo to £35,000 + car

Our clients are the UK affiliate of an international food manufacturing and distribution network. With busin spanning 47 countries, many of their best selling brands are household names. A programme of worldwide acquisition. restructure and commitment to product development is resulting in significantly increased group sales and share earnings.

Security controls have long been a group priority. A recent initiative has resulted in the development of a new European audit programme and an EDP Anditor is now required to cover Benefux; Scandinavia, Ireland and the UK. This role, which will be particularly challenging, will involve the establishment of the EDP audit function

within a European context, Specific tasks will include new systems review (pre and post-implementation), development of andit software systems, project control and security surveillance.

To succeed in this stimulating and progressive environment, candidates should demonstrate strong inter-personal skills, professionalism, and independence in addition to the pre-requisite chartered accountancy qualification. Two to three years practical experience of EDP audit are essential, a part of which may have been gained outside public practice.

Please write in confidence quoting reference P2046, to Hilary Douglas.

KPMG Peat Marwick McLintock

Executive Selection and Search 70 Fleet Street, London EC4Y 1EU

BODDINGTON Group plc

Group Financial Controller

Manchester

The Boddington Group plc, a quoted Manchester based company, is a major hospitality and leisure Group. It has significant interests in pubs, hotels and restaurants, drinks wholesaling and health care. Strategic moves (including acquisitions) compled with Group restructions, have established a strong base for the future development of the Group in these rapidly expanding market sectors.

The recently appointed Group Finance Director now requires an ambitious and commercially orientated young accountant, to assist in the development of the Group's financial reporting structure and the implementation of financial controls. As Group Financial Controller, you will have overall responsibility for the Group accounting function, treasury management and property and statutory accounting. Additionally, you will be responsible for the appraisal and

c£30,000 + Executive Car

analysis of both business performance and new

Candidates should be graduate qualified accountants, probably aged under 30, who can demonstrate outstanding technical, commercial and man-management skills, together with a track record of success in their career to date. This should be seen as a significant career move and will provide the basis for long term progression within the Group. The excellent package will include applicable. relocation where applicable.

Interested applicants should forward their Curriculum Vitae quoting Ref: 4490 to Alan Dickinson ACMA,
Michael Page Finance, Executive Division,
Clarendon House, 81 Mosley Street,
Manchester M2 3LQ.

Michael Page Finance

International Recruitment Consultants

London Bristol Windson St Albans Leatherhead Binningham Nottingham Manchester Leeds Newcastle upon Tyne Glasgow & Worldwide

High Profile Role for Top Quality Individual FINANCIAL EXECUTIVE—MAJOR PLC



Central London

Many large blue-chip plcs would appear to offer the young Accountant challenge and opportunity, both within the immediate role and the medium-term prospects. Few such organisations, however, ultimately can produce such early high-level exposure and the successful track-record of rapid and exciting romotions that our client can evidence.

This organisation is now seeking to fill a key position within a small professional team who constitute a new department with a particularly demanding brief. The other members of the team are young, well motivated and committed with a wealth of top quality experience. The successful candidate, whn will enjoy frequent contact with senior management, will be required to demonstrate similar qualities and will additionally need to:

Demonstrate an ability to function with the minim

up to £35,000 pa plus car etc

- communicating with senior management Propose sound recommendations to manage for the improvement and establishment of policies and procedures
- Possess the high potential to undertake a business role in a Senior Financial position after the

You will be a Qualified Accountant, and may (although not essentially) be leaving the profession from a relatively senior position. You will now be seeking a role within a prestigious blue-chip plc which will ensure that your career path continues along the

If you wish to discuss how your career aspirations may be met by this outstanding opportunity please call Karen Wilson, Director, on 01-491 3431 or write to her at FMS, 14 Cork Street, London WIX 1PF enclosing a recent CV and note

Search and Selection Specialists

Financial Management

£25-30,000 + car

A qualified Accountant you will have that rare combina-tion – financial expertise and commercial flair. This role will test your ability to initiate new ideas and highlight the financial implications of a variety of business decisions. Personal qualities should include good com-

munication skills, a sense of humour and an effective management style. Your age is less material than aptitude, application, approach and alliteration.

The scope of the position can be divided into:

SHORT "Hands-on" involvement in the preparation of budgets, forecasts, monthly/quarterly management and annual stantory accounts.

Enhancing existing computerised systems and generally refining the quality of management information.

a variety of client account

MEDIUM • Setting up financial reporting systems for TERM subsidiary activities.

Managing the financial aspects of

Investigating potential areas of expansion.
 Providing practical input to corporate business planning and control.

 Ligising with financial institutions and advisers on corporate growth.

Buro Four Project Services is an independent professional consultancy offering a full range of management services to the construction industry. Based in London, they have projects and contacts throughout the UK as well as various interests and activities in Europe, with a current staff level

of 40 people.

This is a unique opportunity to develop your career in tandem with an expanding organisation.

If you are interested in this position, telephone Neil Jury on the number below during working hours (evenings and weekends 0487 841804), alternatively send a full CV with covering letter to the following address.

Ref NDJ/16 FREEPOST, 36-40 Liverpool Road, Luton, Beds. LUI 1YX Telephone Number: 0582 422472, Fax Number: 0582 415868

RESOURCE SELECTION standing out from the crowd

Finance Manager

London

Leisure

£30,000 + Car

Our client is an extremely progressive and much respected UK plc that has achieved rapid expansion and a high presence within the leisure sector by both acquisitions and organic growth. This growth has now projected the divisions to be major forces within their respective UK sectors and the largest division, t/o £130m, is recognised as the market leader within its sphere.

Due to internal promotions and constant expansion plans our client now seeks to appoint an ambitious individual to assume full financial accounting responsibilities for this £130m t/o division. The role, which reports at a senior level, is a broad one management (30 staff) coupled with continual input to systems and computerisation improvements.

This is an excellent opportunity for a qualified accountant, aged 28-34, with good inter-personal and management skills to join a highly commercial and entation and enthusiasm are vital to deal with a wide diversity of personnel and disciplines. Future career prospects are excellent.

Please telephone or write enclosing full curriculum vitae quoting Philip Cartwright FCMA. London SW1Y 6JE

Tel: 01-839 4572

FINANCIAL SELECTION AND SEARCH

Taxation Manager

City

up to £45k+bonus+car

Legal & General is one of Europe's largest publicly quoted insurance-investment and financial services groups. The scale and variety of our business makes the role of Taxation Manager a responsible and challenging appointment with the broadest professional scope.

Reporting to the Group Taxation Manager, you will be expected to make a major impact on performance throughout the Group, by your management of the department's small professional team and your involvement in a wide range of projects. You will need considerable experience as a tax professional and excellent management and negotiating skills.

If you have a particular knowledge of the

insurance sector - so much the better; but in any case you must be able to analyse and explain complicated tax issues in a manner which allows effective management decisions.

In return, you'll receive a highly attractive salary and performance related bonus plus a car and benefits which include profit sharing, non-contributory pension scheme and free medical insurance.

For further details, please send a detailed C.V. to P.J. O'Sullivan, Personnel Manager (Group), Legal & General Group plc, Temple Court, 11 Queen Victoria Street, London EC4N 4TP.

To £25,000 + Car

Legal & General is an equal opportunities employer

DIVISIONAL ACCOUNTANT c£27,500 + CarSurrey

This is a high profile appointment within a major group which operates nationally in the manufacture, marketing and distribution of consumer goods. It is designed to give the individual maximum opportunity for gaining an understanding of the business and for attaining early promotion.

Responsibilities cover consolidated management accounting information, budgets, forecasts and longer term plans involving a critical view of operating

Applications are invited from ambitious qualified accountants aged 27-35 who can demonstrate a flair for technical matters and the ability to communicate effectively with Directors and senior members of operating

This attractive vacancy offers considerable scope for continued career development in a dynamic organisation which is enjoying profitable organic and acquisitive growth.

For further information on this exceptional career opportunity please contact Malcolm J. Hudson.



HUDSON SHRIBMAN VERNON HSE-SICILIAN AVE-LONDON WCIA 20H-TEL: 01-831 2323

FINANCIAL RECRUITMENT

North London

As one of the UK's largest and most successful retail and manufacturing groups, our client is committed to continuing its impressive growth

In a sector as competitive as retail its success stems from the continued enhancement of product ranges and effectively targeted store development.

In order to strengthen the management team, they seek a high calibre individual to report directly to and deputise for the Senior Financial Accountant. Your brief will include financial systems development,

provision of financial and management information and supervision of a team of five. This highly commercial role will involve working and

As a recently qualified Accountant under the age of 30, you will have strong communication skills and possess an assertive and confident personality. Future prospects within this young dynamic company will be limited only by your own personal ability.

Interested applicants should telephone Melanie Falkingham on 01-437 0464 or write to her, enclosing a detailed CV, at the address

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS Queens House 1 Leicester Place London WC2H 7BP Telephone: 01-437 0464

Oil Tax Specialists

c £35,000 +

The Price Waterhouse tax consultancy practice provides a comprehensive range of services to large multinational companies in the oil industry.

We have attractive career opportunities, based in London, for tax professionals with at least two years' experience

You will broaden your tax awareness, by specialising predominantly in oil based clients. Detailed working knowledge of Petroleum Revenue Tax is not essential as specialist in-house training will be provided.

Your portfolio will also include a range of companies in the manufacturing, retail and financial services sectors. Probably aged between 25 and 35, you will enjoy a competitive remuneration package with an attractive relocation plan.

Please write, with detailed CV to: Bonne Paton

Price Waterhouse Southwark Towers 32 London Bridge Street,

Price Waterhouse



OFFICES IN: LONDON - ABERDEEN - BIRMINGHAM - BRISTOL - CARDUF - EDINBURGH - GLASGOW - LEEDS - LEICESTER - LIVERPOOL - MARCHESTER - MIDDLESBROUGH - MEWGASTLE
- NOTTINGHAM - REDHILL - ST. ALBARS - SOUTHAMPTON - WINDSOR - ASSOCIATED FIRMS IN IRELAND, THE GHANNEL ISLANDS AND THE ISLE OF MAN

Financial Controller

Major British Group

South of England

to £28,000 + car

Our Client, a rapidly expanding subsidiary of a highly successful British PLC engaged in the leasure industry, is now seeking to recruit a high calibre Financial Controller.

Based at the Group's modern headquarters near to the southern part of the M25 and reporting to the Finance Director, the Financial Controller will be involved in the accounting and financial control of the company and its operating locations. You will be a key member of a small high calibre team responsible for the timely production of all financial and management, accounts, budgeting systems development as well as the establishment of close working relationships with colleagues at operating

You must be a qualified Accountant, probably Chartered or Certified, ideally with a degree and aged between 23-28 with a minimum of one years' post qualification experience preferably gained in a commercial environment. Good computer skills and an ability to take a 'hands-on' approach are further requirements for this position. In addition you must be highly motivated with strong leadership and intellectual qualities and be able to demonstrate first-class technical and interpersonal skills.

The auractive remainstration package which includes bornes and company car, rejects the importance of this position and there are considerable long term career prospects within the Group.

If you are interested please telephone Graham Marlow on 0532 451212 or send your CV, in confidence, quoting reference number 671, to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY. Fax number 0532 420802.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

Hoggett Bowers

liaising with all areas of the business.

Financial Controller

Fashion Products

Manchester,

A highly profitable and dynamic company founded only two years ago, selling fashion orientated products via Direct Mail and through a chain of In-Store concessions, seeks a financial controller to develop its financial systems and prepare management accounts with a view to obtaining a USM listing in the next five years. The appointee will be responsible for the further development and installation of computerised Pegasus accounting systems, monthly management accounts and all aspects of credit control. The business is very cash rich requiring the investment of substantial funds at the best rates. Candidates, aged 25-30, should be chartered accountants who have ideally worked in the retail or service sector and have the ability to 'get behind the figures' and have the antrepreneurial skills to recognise opportunities. Must be able to work as part of a small highly motivated team and communicate and relate at all levels. Equity participation is a distinct motivated team and communicate and relate at all levels. Equity participation is a distinct

R.A. Flude, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER, M2 2JF, 061-832 3500, Fax: 061-834 8577. Ref: M15084/FT.

Management Accountant

Major Group Career Prospects

Manufacturing South Coast.

Belonging to a substantial and acquisitive multinational this profitable engineering company supplies a wide range of UK and European clients with an extensive product portfolio. State of the art plant and machinery is supported by sophisticated computer based administration, and the company is poised to benefit from a major capital expenditure programme. Reporting to the financial director, responsibility is for the provision of management accounting information, systams development to support business growth, and the supervision of a small team. This interesting opportunity will appeal to ACMA qualified candidates in the 28-40 age range, preferably from a manufacturing or engineering background, who are looking for a progressive career movafrom a manufacturing or engineering background, who are looking for a progressive career mova, with longer term promotion prospects at both company and group level. Relocation assistance is available to a pleasant area on the South Coast.

A.J. L. Satterly, Hoggett Bowers pic, George V Place, 4 Thames Avenue, WINDSOR, SL4 1QP, 0753-850851, Fax: 9753-853339. Ref. W12080/FT.

These positions are open to make or female candidates. Please send c.v. or telephone for a Personal History Form to the relevant office, quoting the appropriate to

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR A Member of Blue Arrow plc

Group Financial Controller

WELWYN GARDEN CITY, c£35,000 + CAR + BENEFITS

As a progressive, expanding, acquisition minded industrial investment group, this £100 million lumover business currently has 7 operating subsidiates throughout the UK. The new position of Group Financial Controller is being established due to the need to enhance the quality and scope of the financial information available to general management to improve control over budgeting, forecasting and long term planning procedures; and to ensure that

adhoc projects such as acquisition reviews and capital expenditure proposals. A young qualified accountant is sought who is ambitious, a self starter and someone who is keen to become involved in all aspects of the business using his/he inflative. You must be a good communicator and be able to demonstrate the ability to take an increasing responsibilities.

Résumés piecse, with an indication of solary progression and a daytime

telephone number to John Effort, Coopers & Lybrand Executive Resour Limited, 43 Tempte Rost, Birmingham, 22.5 (Conference) 82 5.17, quoting reterence JET72

Executive Resourcing & Lybrand



Project Auditor – Oil & Gas

c£27,000 + Car

We are recruiting on behalf of a leading independent oil and gas company, currently enjoying considerable success in one of its key areas of activity – namely, the North Sea.

As a result of an internal promotion, it seeks to appoint an individual to the small project audit team. Although based in Central London, the appointee will spend approximately 40% of his or her time on assignment, mainly in the U.K. The individual will assume responsibility for: * Financial, contract and operational audit at various project sites.

loint venture reviews. * A variety of ad hoc projects and investigations.

Applications are invited from individuals who feel they are able to meet the challenges of this important role and who possess experience of the oil and gas industry, preferably from an audit function. A formal accounting qualification is not a requisite for this role - more important is the ability to communicate with operational management and to bring a commercial approach to the function. Please contact the advising consultant, Gerard Davies, on 01-831 2000 or write to him at Michael Page Finance, 39 Parker Street, London WC2B 5LHL

Alternatively, applications may be sent by fax on 01-831 2612. Complete confidentiality is assured.

Michael Page Finance London Bristol Windsor St Albans Leathert Manchester Leeds Newcastle upon Tyn

Divisional Finance Director South Yorkshire to £32,000 + Car

Our client is a well established private group of companies, engaged in the manufacture and supply of consumer products. Recent re-organisation leaves them with a strong balance sheet and ideally placed to exploit current and future market opportunities.

Due to internal promotion, they now seek to appoint a Divisional Finance Director who, reporting to the Managing Director, will assume full responsibility for all finance and related functions. Emphasis will be placed on the ability to make a significant contribution at board level, particularly in commercial and strategic areas, along with the continued enhancement of strict financial control procedures.

Candidates, aged over 30, should be qualified Accountants, who can demonstrate a track

record of success to date, ideally including record of success to date, ideally including computerised manufacturing systems implementation, a strong personality allied with sound bechnical skills and the ability to communicate effectively at all levels and across all disciplines. This is regarded as an excellent opportunity for a positive, enthusiastic and commercially aware Accountant, to make a real contribution to the development of a dynamic

A comprehensive remuneration package, including relocation facilities, is available. Interested applicants should write to James J. Russell, enclosing a C.V. and quoting ref: L8506, at Michael Page Finance, Leigh House, 28-32 St. Paul's Street, Leeds LSI 2PX. Tel: (0532) 450212.

Michael Page Finance

London Bristol Windsor St Albans Leatherhead Birmin Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL CONTROLLER

Gerald is a worldwide commodity brokerage and trading company with memberships of all the major futures and options exchanges in the world and officea in London, Chicago, New York, Tokyo and Seoul.

Continued growth necessitates the strengthaning of the senior management team by the recruitment of a strong financial controller with directorship potential.

CITY £45,000 + Car + Benefits

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The position will have responsibility for daily operation and development of the financial and management information systems.

Applicants should be qualified accountants with relevant experience gained in a similar industry or from a trading environment. A degree of commarcial awareness together with good communication skills and a disciplined approach is required.

GERALD LIMITED

Please apply in confidence to D.G. Over, Finance Director, Gerald Limited World Trada Centre, St Katherina By The Tower, London E1 9AA Telephone (01) 481-0681

FINANCIAL CONTROLLER

Thames Valley

With a turnover approaching £1 billion and a strong record of profitable growth, our client is the major subsidiary of a prestigious British pkr. The company, which has significant operational autonomy, specialises in the marketing of high value consumer durables throughout Great Britain and is highly respected in this major sector of the British economy.

Reporting to the FD, the Financial Controller will take responsibility for the financial reporting and administration function through a Chief Accountant and some 30 staff. The main emphasis of the role however, is upon financial planning, forecasting, performance monitoring and active participation in commercial decision making. This entails close involvement in marketing, price negotiations and business strategy working alongside senior operational management.

This demanding, high profile role requires a qualified accountant of graduate calibre probably aged 30-38. You should have a record of success in a major company.

c. £43,000 + bonus + car

including senior experience of financial reporting. Strong planning skills, ideally gained in a progressive fince or retail environment are essential, as is a well developed commercial awareness. You should also have strong communication skills, self confidence and

In addition to the attractive salary, there is a noncontributory pension, performance bonus and a fully expensed prestige car. Through its forward looking management development policy, moreover, the group can provide scope for progression to senior finance or general management roles.

Please reply in confidence, giving concise career, personal and salary details to Heather Male, quoting Ref. L459.

Egor Executive Selection, 58 St. James's Street London SW1A 1LD (01-629 8070)

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Sweden

FTAT Freight Transport Association

ARE YOU FED UP WITH THE CITY?

CHIEF ACCOUNTANT

£25K + CAR TUNBRIDGE WELLS

We are a major trade association providing a wide range of services to the transport and distribution sector of industry throughout Britain and Europe. Owing to the pending retirement of the present Chief Accountant we are saaking a successor to head up the Association'a accountancy, business managament and computer

There will be opportunities to travel to FTA regions, to participate in training programmes at the FTA residential training college and to work as a member of an energetic managemant team in the broader context of the

The position offers excellent prospects to professionally qualified persons who must be fully conversant with

The package includes private medical insurance, excellent pension arrangements with life and long term disability cover, car and assistance with removal expenses.

Please apply in writing to:

Keith Taylor Director of Training & Personnel Freight Transport & Personnel St John's Road Tunbridga Wells Kent TN4 SUZ

LLOYDS ABBEY LIFE pic .

GROUP TAXATION ASSISTANT £27,000 + Car + Benefits

This major financial services group requires a Professional Accountant at its new corporate headquarters in Weybridge, Surrey.

Responsibilities include providing a complete tax service to a number of trading companies, advice to directors and management of the parent and subsidiaries, controlling group tax reliefs, setoffs and

Benefits include non-contributory pension, mortgage subsidy and share options.

Please contact Alan Richards, Personnel Department, 80 Holdenburst Road, Bournemouth BHS 8AL. Telephone: (0202) 407308.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS FINANCIAL CONTROLLER

E.C.1 c.£25,000 - Benefits
Our client is seeking a Financial Controller who will report directly
to the Chief Executive and assume responsibility for all financial and
accounting matters.

The ideal candidate will be a mature accountant, not necessarily qualified, who has good managerial experience, computer literacy, a sound background in financial and management accounting and possesses strong interpersonal skills.

Please send your c.v. to: Douglas Brown, Fraser & Russell, Corporate Development Services, 4 London Wall Buildings, Blomfield Street, London BC2M-5NT....

FRASER & RUSSELL

YOUNG CHARTERED ACCOUNTANT

For Corporate Role

Harrogate

Appleyard

c£26.000 + car

Appleyard Group PLC has become one of the most successful motor distributors in the UK. This has been achieved by organic growth, investment in greenfield sites and strategic acquisitions - the recent purchase of Ian Skelly for £18m is an excellent example. This expansion has resulted in turnover exceeding £400m. The exciting upward spiral has meant constant opportunities within the Group for its brightest people. Promotion for the existing incumbent has resulted in such an opening for a young qualified accountant who has drive and ambition.

Reporting to the Group Financial Controller, this is a varied and stimulating role that combines the appraisal of and involvement in further potential acquisitions together with providing information to enable performance reviews of the different group businesses. You will also be responsible for the on-going development of computerised accounting systems, consolidations and statutory accounting. Tax, treasury and ad-hoc project work are other features.

You will be a graduate chartered accountant, having gained exposure to pc-based accounting systems and knowledge of group reporting/consolidation procedures. You should be enthusiastic, have excellent communication skills and a hands-on approach. Your potential should be obvious and prospects within the Group - particularly operationally - are excellent.

Relocation expenses will be paid, where applicable, to this very attractive part of

If you would like to be considered for this position please contact Jackie Hardisty at our Leeds Office on 0532 446611. Quebec House, Quebec Street

Leeds LS1 2HA Tel: 0532-446611 Fax: 0532-446140 Also at: Birmingham, Liverpool, Manchester, Nottingham & Swindon ASB RECRUITMENT LID A Division of ASB Bernett Kinnings Pic

a are a substantial, international company specialising in the field of business equipment, that requires an exceptional individual to fulfil the newly created role of Regional Financial Manager.

Based in our Brussels headquarters the Regional Financial Manager will be responsible for the implementation of accounting and financial control procedures in nine European subsidiaries, including Scandinavia, Benetux, Austria, Greece and Ireland. He or she will monitor compliance with these procedures on a timely and accurate basis, and assure that accounting practices in each country comply with corporate procedures and local laws and customs. This challenging position requires a sophisticated, experienced professional, with an accounting or finance degree (an MBA would be useful but is not essential). They will have had at least 5 years relevent experience preferably with a multi-national company, or an international audit firm. The nature of this role demands previous international experience and that the successful applicant is prepared to travel axtensively. Fluency in English is essential, other European languages

An attractive remuneration package will include performance related bonus, company car and will be commensurate with the level of experience

Please apply in writing, in English, with a comprehensive curriculum vitae, indicating your salary expectations to Richard Davies, Unit 1/5 Garden Market, Chalans Harbour, London SW10 0XE. (All applications will be treated in the strictest confidence.)

GROUP FINANCE DIRECTOR

Target . . . flotation in 1990

Age: 30's

£30-35,000 + car+ share incentives

With t/o approaching £25m, our client has been highly successful in developing a profitable importing and distribution business, predominantly in the North and Midlands. With a target of achieving a USM listing within the year, the Group is now intent on immediate expansion of both geographical coverage and product range, partly through acquisitions. The creation of this important new appointment is central to these plans.

As a main Board member, you will provide a strong, strategic financial viewpoint for the future development of the company. This will encompass a wide spectrum of responsibilities; critical review of financial performance; monitoring computer systems to improve Group management reporting: acquisitions; preparation for flotation; liaison with the City.

The role demands a high-calibre qualified accountant with sound technical skills probably acquired in the profession and honed in industry. Strong communication skills, including the ability to negotiate at the highest levels, are vital. On a personal front, an open and friendly style will ensure an excellent fit with other Board members.

Joining the Group at this stage in its growth will be an outstanding opportunity to exercise your financial expertise to the full, and secure the rewards that success will bring.

Please apply to our Manchester Office, where your contacts are Audrey Shaw or Dudley Harrop.

Amethyst House, Spring Gardens Manchester MZ 1EA. Tel: 061-834 0618 Fax: 061-832 9123

Also at: Birmingham, Leeds, Liverpool, Nottingham and Swindon

ASB RECRUITMENT LTD & Distator of ASB Barnett Kinnings Pic

FINANCIAL DIRECTOR

c.£35,000 plus

Our client, o manufacturing subsidiary of an emerging British plc, is o leader in its several markets, has good profit growth and is acquisitive. Wa seek

on able Financial Director to join the team and contribute to the achievement of further dynamic growth in the UK and Europe.

Candidates, aged 28-35, will not only be accountants with excellent track records in financial management and systems implementation in a manufacturing agent but also be riversed any other actions. manufacturing operation, but also businessmen or women of high calibre. High level communication skills are essential.

The remuneration package should yield at least £35,000 in the first year.

Other benefits include a car and relocation expenses to a pleasant base in the

Please reply in strict confidence giving details of experience, aga, qualifications and present salary quoting Ref: 1090. Alternatively, telephona John Pattison 0602 411238 for a brief discussion. No information will be divulged to our clients without your permission.

CB-Linnell Limited

7 College Street, Nottingham NG1 5AQ. SEARCH & SELECTION CONSULTANTS NOTTINGHAM - LONDON

Group Strategic Planning Manager

London

£40,000 + Bonus + Car

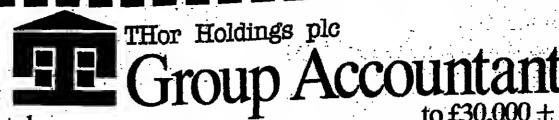
Our client is a dynamic and highly marketing driven major UK plc. The company has established an impressi growth record that has been developed through its original core business as well as by acquisition, thereby taking the level of turnover to c£750m.

As a result of this growth a Group Strategic Planning Manager is now sought who will report directly to the Group Finance Director. The role will encompass all matters of corporate encompass all matters of corporate development, strategy and planning including acquisitions/tivestments, budgeting, monitoring the progress of ongoing matters within the Group and constant liaison with Divisional Managing Directors. The function will be high profile in working closely with the Group Finance Director, Chairman and amall professional head office team. Candidates should be either qualified untants or MBA's, age indicator c30,

who must make a positive contribution to the direction of the Group. The ability to work on a broad front within a handson and operational environment is vital as is a professional and enthusiastic manner. This is an excellent opportunity that offers total involvement with the future of the Group as well as excelle

Please telephone or write enclosing full curriculum vitae quoting ref: 346 to: Philip Cartwright FCMA, 97 Jermyn Street, London SW1Y 6JE

FINANCIAL SELECTION AND SEARCH



Basingstoke

Our Client is a £15m commercial and residential property development and construction group. Its reputation for quality and innovation

has made it one of the most successful independent Groups in the South. Its continuous expansion in the South has created an exciting opportunity for a Group Accountant to join a small, high calibre finance team. Reporting directly to the Strategic Director. Key responsibilities in this challenging position will include:

- * preparation of management and annual accounts including Group consolidation
- * preparation of monthly profit statements and cashflow forecasts
- * development of the project reporting system

* management and leadership of the Accounts Department Applicants, aged between 28 and 45, should be qualified accountants, computer literate with preferably some prior experience in the

If you think you have the enthusiasm, ability and leadership skills to participate in the growth of this successful Group please send a Christopher Applegate, Spicers Executive Selection, Carlton House, Carlton Place, Southampton, Hampshire SO1 2DZ.
Telephone: (0703) 334124.

Central London

market leaders in this sector of the hi-tech communications industry. In this particular area the

into the 1990s and beyond. You will undoubtedly be aware of this service through the recent, highly successful, national advertising campaign. The company is now recruiting a Head of Finance who,

leading a small team of 5, will be responsible for the management and further development of the following:

A strong financial input into the many contract negotiations, requiring broad commercial awareness, as other key functions will look to Finance for both guidance and support

Control of all books of accounts and productional management and external financial reports

UK has been leading the field and our client has nunched a new service which will lead the market

SPICERS EXECUTIVE SELECTION

Be Part of a Real Growth Company

Leasing Manager

Tel: 01-839 4572

Paris Based

Our client, a leader in the international automobile industry, is developing its European financing division working for eight subsidiaries based in London, Madrid, Milan, Lisbon, Frankfurt, Berne, Brussels and Rotterdam. Their total loan portfolio is \$3 billion.

The successful candidate will be in charge of the development of the leasing activities for all Europe except France. Your key responsibilities will be to define the marketing policy, the necessary resources to ensure the implementation and smooth functioning of such activities.

Aged 30 to 40, you will be educated to

Attractive Financial Package

degree level (business school or equivalent) and will justify a proven track-record of at least five years' in

A sound understanding of the automobile industry is necessary together with a good working knowledge of French. Another European language

Please contact Emmanuelle Capitaine on number ED 444 FT at Michael Page

Michael Page International

Group Financial Director

...with an emphasis on acquisitions

c\$35,000 Cheltenham

The company is an entrepreneurial success story with an impressive profit record over the past 4/5 years. These strong foundations, coupled with the confidence of institutions' financial support, will enable the organisation to grow substantially over the next few years - mainly through acquisition.

It is a strategically appropriate time, therefore, to appoint a Group Finance Director who will report directly to the Group Chief Executive. The key tasks will include control and development of management information via the existing finance function; advising on the financial

implications of policy planning; taxation advice and acquisition appraisal.

The ideal candidate will be a graduate Chartered Accountant with several years post private practice manufacturing experience. Experience of acquisition and capital expenditure appraisal and the ability and presence to negotiate with financial institutions is essential. Most important is the energy, commitment and flair to make a real contribution to corporate growth.

Please write with full details, quoting ref: 17564 to David Dodd, MSL International, 4th Floor, Broad Quay House, Broad Quay, Bristol BS1 4DJ. Tel: 0272 276617.

MSL International

easing activities.

will be an advantage.

(010 33 1) 42 89 30 03 or write to her enclosing a comprehensive curriculum vitae and quoting ref.

Banking France 10, rue Jean Gonjon, 75008 Paris, FRANCE.

International Recruitment Consultants

London Amsterdam Eindhoven Brussels Antwerp Paris Lyon Sydney Melbourou

Search and Selection Specialists Financial Management

Entrepreneurial Accountants Commercial Manager

East Midlands To £35K + car + benefits

package \$35-40,000 pa + car etc

All superts of planning from weekly review to 5-year strategic plans

rapidly growing Fixed Assets.

Balance sheet management of assets, with particular emphasis on Cash Hanagement and the

Additionally you must also be able to communicate in a business context to all levels, integrating into the

Company's Senior Management team, and proactively contributing to the rapid pleaned growth. Non will be a Qualified Accountant with ideally a large company

background, but an ability to identify with this young company and team. Strong business, people and systems skills are all essential.

If you feel you can grow as rapidly as this company, then telephone Karen Wilson on 01-491 3431 or wrise to her at FRS,

14 Cock Street, London WIX 1PF eaclosing a recent CV and a note of current salary.

Our client is a rapidly expanding organisation with a turnover of approximately £100m and is currently diversifying into a number of related service areas via acquisition and organic growth. They are now seeking to appoint an entrepreneurial Reporting to the Group Managing Director, the appointee will play a leading part in future activities, with specific responsibility for:

* Engeting and negotiating of acquisitions * Troubleshooting

* Financial analysis and project apprecial * General management

The successful candidate, ideally aged 28-35, will be a qualified accountant with experience of fast moving commercial environments and of non-routine activities. The ability to analyse complex financial problems and effectively communicate a sensible business solution is crucial as is the ability to command respect at all levels and adopt a flexible approach.

Career prospects are excellent and will be dependent on achievement. The remuneration package is negotiable according to age and experience and is supported by a range of benefits including profit share scheme. Relocation assistance will be provided as necessary.

Interested applicants should send, in complete confidence, a detailed Carriculum Vitae including current salary and daytime telephone number to Phillip Price ACA, quoting reference LMS02 at Spicers Executive Selection, Leda House, Station Road, Cambridge, CB 1 2RN. Tel: (0223) 460222.



SPICERS EXECUTIVE SELECTION A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

GROUP FINANCIAL CONTROLLER

Speciality Chemicals East London

The Dane Group is a fast growing privately owned group of 12 companies with turnover in excess of \$25m.

We have identified the need for a group financial controller to enable the current rapid rate of growth to be maintained both arganizativ and by acquisition. We are seeking a qualified chartered, certified or management accountant to take responsibility for the entire accounts function including:

financial and management reporting

cash flow and currency exposure management

and to work closely with the Finance Director in:

financing and integration of new acquisition

The successful applicant will be self-motivated and persuasive with good interpersonal skills. Experience in industry and with spreadsheets would be a distinct advantage but ambitious newly-qualified accountants will certainly be considered. To apply, please with enclosing a full C.V. and salary history to:

Peter Hill F.C.A. Dane and Company Limited 1-2 Sugar House Lane Strations London E15 20N



To \$25,000 + car etc

FINANCIAL CONTROLLER

MAXWELL

London

c£32,000

benefits

International Learning Systems (Japan) and Caxton & English Educational Programmes International are two highly successful companies within Maxwell Communication Corporation. ILS has the exclusive right to sell BBC learning products within Japan while CEEPI sells language learning courses and encyclopaedias as well as general reference books within the UK. Portugal, Saudi Arabia and the UAE.

The companies require an able Financial Controller to be responsible to the respective Managing Directors for reporting and control, budgeting and forecasting, cash management and the updating of the present manual systems to a computerised basis. There will also be a strong involvement in commercial decision-making as a key member of the management team.

Candidates will be mature qualified accountants aged 30-40 with good technical, motivational and commercial skills, will have a high degree of computer literacy and enjoy an informal and shirt-sleeved environment.

Please telephone D. E. Shribman for further details or write to him at the address below.



BMIZKIDSONS KIDSONS CORPORATE FINANCE LTD

Appointments

Advertising For further .

information

call 01-873 3000

Deirdre McCarthy

ext 4177

Elizabeth Arthur

ext 3694.

Nicholas Baker

ext 3351

BMI Kidsons is a group of companies specialising in corporate finance, financial management for companies and individuals, commercial loan services and product design to the professional market and institutions.

Due to continuing expansion we are seeking to fill two positions within our corporate finance department: CAPITAL FUNDING, MERGERS & ACQUISITIONS:

Playing a major role in expanding the department and this senior position could lead to a Board appointment. Experience in leading MBO's, mergers and acquisitions, and the ability to develop deal flow from a natiouwide client bank is required.

Sahry £25,000 - £35,000 + benefits Qnalified ACA/ACCA/MBA (Age 27 - 37) CORPORATE FINANCE:

Responsible for dealing directly with growing businesses who require the services of a part-time financial director or financial and strategic advice from an independant source. Post qualification experience will mean commercially aware, dynamic and entrepreneurial. Will be given full acope to build on these talents and develop own client bank.

Please mail or fax you CV to Lindsey Jackson, BMI Kidsons, Russell Square House, 10-12 Russell Square, Loadon WCIB 5LG, Fax No. 01-436 6605.

Commercial Involvement CIAL CONTR

Autonomous, hi-tech subsidiary of a major international Group, offers a key No. 1 opportunity to an experienced

Reporting to the Local Director, and joining a multikeporing to the Licent Director, and Johning a multi-disciplinary senior management team, your responsibilities will be diverse. They will embrace the control of the financial and administrative functions of the company, and there will be significant involvement in commercial. decision making.

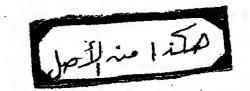
You must have a proven track record including previous experience in a senior finencial position, and candidates under 30 are unlikely to possess the man-management skills required. The successful candidate will possess the credibility and charisma necessary to be effective immediately in this important role.

Please apply directly to Anita Allison at Robert Half, Freepost, Brook House, Spring Gardens, Manchester M2 3BA.

Rephone: 061-236 0101. or evenings on 0457 873644.

Alternatively, fax your details on 061-236 1024.

Financial Recruitment Specialists London - Birmingham - Windsor - Manchester - Bristol - Leeds -Brussels - USA





South Cheshire

Up to £35,000+car

Our client a subsidiary of a major Plc, is seeking a pro-active Finance Director with strong commercial awareness to assume full financial responsibility for 5 operating units (1/o £50m) involved in the design and manufacture of electronic and electro-mechanical products and

Reporting to the Managing Director, the position requires a qualified accountant with a minimum of 5 years' post qualification experience gained within a similar industry.

Possessing excellent interpersonal skills combined with a broad based accounting background and a proven track record in systems implementation and development, you will be an innovative professional, ready to take the challenge offered by this highly demanding and diverse role.

There is an attractive salary and benefits package including executive car. This is an excellent opportunity to play a key part in the further growth of this exceptional company.

In the first instance, please send a full career resume, including current salary and a day time telephone number to: Linda McConville M.E.C.I., Divisional Managing Director

Robert Armstrong & Company

No. 1, Central Street, Manchester M2 5WR. Telephone: 061-236 0541. Fax: 061-833 1845

Project Accountant

Remuneration package of c£30,000 including company car

St. Paul (UIQ Limited is the London Reinstrance and UK Domestic Underwriting operation of the leading US insurance company, The St. Paul Companies, Inc. The UK company's premium income is projected to show substantial planned growth in the medium term to reflect the increase in capitalisation made by the parent company in 1989. company in 1988.

To respond to this business development, we are seeking to enhance our Financial Teams with the appointment of a Project Accountant, who will contribute to the companies requirements by handling specific assignments. It is anticipated these will include the monitoring of treasury and investment activities. US reporting including US tax analysis and involvement in the financial planning process. Involvement analysis and involvement in our interests may also occur.

The presiden will be of interest to qualified accountants with experience in the insurance/Reinsurance markets.

The remuneration package will include non-contributory health and pension schemes. Profitshare and other stock related schemes and involvement in our Executive Incentive scheme.

Applicants are invited to submit career summaries to:

Personnel Manager St. Paul Management Ltd. 15-18 Lime Street -- 25 London EC3M 7AP. de significant de la company d

NEWLY QUALIFIED ACA **EUROPEAN BANK**

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(July 19

£22 - 25,000 + Benefits

An outstanding opportunity has arisen for a newly qualified ACA to join a prestigious European Bank within their commercial and private banking sector.

Working closely with key business areas, the successful candidate will be responsible for implementing and maintaining the daily accounting controls, producing and interpreting management information and developing internal reporting systems.

Candidates will be qualified ACAs with experience gained in one of the major accountancy firms. Whilst previous banking experience would be an advantage, this would make an ideal step for candidates wishing to move out of the profession.

For further information of this and other opportunities, please contact Jacqueline Long at:

> WELL COURT ACCOUNTANCY 11 Well Court. London EC4M 9DN Tel - 01 236 0723 Fax - 01 489 8305

BUSINESS DEVELOPMENT ACCOUNTANT EXCITING COMMERCIAL OPPORTUNITY

TYNESIDE

To £25,000 + car

his is a newly created post within a major UK operating subsidiary of a US quoted Group. The Company is brand leader in the manufacture of an innovative range of products used principally in the construction, furniture and transport industries. The prime purpose of the position is to guarantee succession at Erictor level in the medium term, Reporting to the Firence Director and initially enbracing the editing roles within the finance function, the successful applicant will be closely involved in both marketing and manufacturing areas, looking at specific finance related projects. Candidates will be young (26 - 30 years) graduate, qualified accountants with broad based pushess experience, ideally including management accounts, planning, budgeting, cash management and taxation. Applications are invited from highly ambitious, self motivated includeds who probably see their future in a general management role. The right candidate will be willing and eager to make with customers becoming involved in every aspect of the business from sales through to manufacture. Prospects are excellent within this first class group.

For confidential application form please telephone Lorna Dinning on Tymeside (091) 261 6940 or forward a comprehensive CV with full salary details to Northern Recruitment Group, Vine House, Vine Lane, Newcastle upon Tyne NEI 7PU





Applications are invited for the above newly estab-lished Chair at the London School of Economics. The holder of the Chair will act as Director of the School's new Institute of Management and will be expected to play a key role in the setting up and development of the Institute. Drawing on the School's strengths in the social and buman sciences, the aim of the Institute is to provide a-focus in the School for the careful and serious study of management, with par-ticular emphasis being given to its international aspects. The Institute will undertake and co-ordinate graduate teaching, research and shorf courses in the agement studies. Applications are welcome from candidates in the social sciences with interests in any area of management who would be interested in leading this new initiative.

Further particulars for this post are available from the staffing Officer, The London School of Economics and Political Science, Houghton Street, London WC2A 2AB. Applicants should submit eight copies of a full curriculum vitae together with the names of three referees to the Staff-Officer, London ool of Economics and Political Science. Closing date for applications 20 November 1989.



Group Internal Audit Supervisor Determine your future from a position of control

South London

£28,000 + Car +Benefits

Our client is one of tha world's largest and most prestigious FMCG companies and has an unrivalled international presence. In the U.K. alone it has many brand leading products, all well-known household names.

Reporting to the Head of Group Internal Audit, and assuming many of his responsibilities in his absence, your success will revolve around two key issues. First, your approach to motivating and co-ordinating a multi-disciplined function. Secondly, your ability to examine and appraise a variety of simultaneous projects: gaining the confidence to act on each, without becoming over involved in any. In both areas, you will be expected to adopt new techniques, and to liaise comfortably with the most senior management.

Preferably CIMA or CACA qualified, and with 2 years' industrial experience. Ideally in manufacturing, you should be a mature individual capable of integrating fully into this high profile role. A good understanding of teamwork and operational audit techniques, together with proven man-management skills at a senior level are essential.

Such a challenge during a period of substantial expansion naturally creates outstanding career prospects. You can also look forward to overseas travel and a comprehensive training programme. Benefits include the use of a company car, medical insurance, pension scheme, health assurance and relocation assistance where appropriate.

Alderwick

For further details, please contact Andrew Livesey, our advising consultant on 01 404 3155. Alternatively write to him at Alderwick Peachell REPARTNERS LTD London WC1V 6QA. Fax:01 404 0140. & Partners, Financial and Accountancy Recruitment, 125 High Holborn,

Financial Manager

Director Designate

Hotel/Retail background c£26k + profit + car + benefits

future. Central to its development, is the within a fast moving and dynamic appointment of a Financial Manager, who can environment, preferably within the Hotel provide both, a strategic financial view and Industry. hands-on' Financial Management. This is a newly-created position and will report to the 'pro-active role in the Company's growth and Group General Manager.

Responsibilities will include Financial Director Planning: Financial advice to all levels of Management and the administration of full and effective Pinancial controls through the Johnathan Poole, Moores Rowland, motivation and leadership of the accounts

Our client is a young progressive Hotel who is both ambitious and confident, and Group with ambitious business plans for the who can demonstrate a successful track record

This is an exciting opportunity to play a success will lead to promotion to Finance

Please phone for further information or send full encer detaile to-Chifford's Inc. Refre: Lane, London BCAA IAS. Tel: (01) 831 8383 We are seeking a qualified Accountant quoting reference JP/123.

Moores

timbe and the armetical entitle and Financial Controller

London EC3

c£26,000 + bonus + car

Expanding City wine bar group

As a result of their acquisition policy and plans for organic growth, the directors of this wine bar and restaurant group have identified the need for a Financial Controller, able to accept the responsibility for producing timely and relevant financial

The role will encompass the introduction of computerised management information systems; the production of monthly and statutory accounts; cash control and forecasting. You will also be responsible for the review of internal controls in the existing operations and the smooth integration of future acquisitions.

You should be a qualified accountant, ideally with relevant industry experience and some exposure to the management of change. You should possess good communication skills and be able to combine a shirtsleeves approach to the provision of detailed information with the ability to deal with the demands of Please telephone Bernard Farmer FCCA on 01-240 1440, outside office hours

0462 893420, or write enclosing a full C.V. to the address below.

BARBER + RECRUITMENT + LIMITED Accountancy Selection Consultants

17/18 Henrietta Street - Covent Garden - London WC2E 8QX

SOLICITORS COMPLAINTS BUREAU

ACCOUNTANT

Investigation Accountants Department

£19,000-£23,000

We require an additional member for our team of Investigation Accountants, responsible for the investigation of books of accounts of solicitors under the Solicitors' Accounts and Solicitors Trust Accounts Rules as directed by the Council of the Law Society.

Auditing experience with a professional accountancy firm is the ideal background for this important position and at least part qualification is preferred. Maturity and tact in interviewing senior members of the legal profession, as well as the ability to write concise and coherent reports are

The position is based in Victoria, London SW1, but you should expect to be travelling away from home Monday to Thursday about one week in three.

Starting salary will be dependent on experience. An attractive benefits package is also offered including a car, contributory pension, 26 days' holiday

Applications, with a full curriculum vitae, should be sent to
Roger Woodley, Head of Personnel, The Law Society, 113 Chancery Lane,
London, WC2A 1PL, by \$1-October 1989.

The Law Society is an equal opportunities employer.

CHIEF ACCOUNTANT

Phase IV Systems Ltd Specialist Computer Peripherals



Flexible Package - c £24,000 + Car + Benefits Nr. Oxford

This private group astablished in 1987 has experianced exceptional revenue & profitability growth and now wishes to appoint a Chief Accountant to its principal Company. The successful applicant should have the abilities and determination to grow within the Company/ Group into more sanior rolas.

he position is wide ranging (almost to the point of being unreasonable!) In a very fast moving environment. You will naed to make decisions rapidly and work effectivaly in roles spanning shirt-slaeves transaction procassing to budgeting/foracasting, reporting & financial control and extending to Profassional and Shareholdar ralationships.

The rola will require you to take responsibility for the accounting staff and most of the Company's financial areas. After the initial pariod tha responsibilities will become largely autonomous, with the successful applicant raporting to the Financial Director and the Sharaholders. As these details imply, this position will require a high level of dedication and commitment in return for the competitive ramuneration, an excellant environment and unusually high job satisfaction.

Please write in confidence, enclosing career details to Robin Smith, Financa Director, Phase IV Systams Ltd, Unit 6, Oxford Business Centre, Osney Lana, Oxford OX1 1TB

FINANCE DIRECTOR

- c. £30,000 PLUS CAR

Subsidiary of Expanding plc -South London Securiguard Group pic a rapidly expanding Public

Company providing a number of commercial and industrial services, requires a young dynamic qualified accountant to head the finance function of a major subsidiary. Reporting to the Managing Director be will be responsible for the timely production of financial reports and management information together with involvement in business planning and development. He must be fully conversant with computerised accounting procedures and an early task will be to improve and update control procedure.

Qualified Accountant with at least 2-3 years management experience, must have good communication skills with an energetic and enthusiastic personality. Promotion prospects exist within the Group both in the U.K. and

Please write with full cv. details to Mr P.J. Dunckley (F.C.A.), Financial Director, Securiguard Group plc, Shakespeare House, 168 Lavender Hill, SW11 5TG.

Corporate Treasury - ASSISTANT -

Interested in providing institutional clients with treasury products? Do you have initiative, drive and the commitment to work in a dealing room environment? If you do, we offer full that is benefits in a nowall of a light pion. Send you c.v. it.

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NW KENT

to £27,000 + benefits

Financial Accountant

Research and development multinational offers a wideranging opportunity to cover statutory accounting, budgeting and forecasting, PC development and computer modelling techniques. An excellent internal training programme will encourage rapid career development with a healthy choice of departments and directions to choose from.

Benefits will include worldwide travel opportunities, generous holidays, bonus, pension, BUPA and possible relocation assistance. Ref. 610B4KD Contact The Manager:

28 High Street, Bromley 01-290 6688 Fax: 01-464 6696

> Post Qualification Experience – send your CV or phone the appropriate Manager or our Specialist PQE Career Advisers on 01-584 6677 (24 hour answering service) for an application form now. Out of office hours, call 01-770 7780. Reed actively promotes Equal Opportunities.

c£25,000 **MIDDLESEX**

Financial Controller

Outstanding marketing successes recently achieved by this international manufacturer have created a superb opportunity to control expanding finance functions for its U.K., European and North American operations.

Recently Qualified with a particularly strong practice background, this could be an ideal first move that offers career possibilities linked to either company or group success. Personal qualities that combine vision with practicality will be rewarded with an excellent package. Ref: 7698196

Contact The Manager: 310 Station Road, Harrow 01-427 0799 Fax 01-861 3117

REED... accountancy 8.7.+

FINANCIAL CONSULTANCY

WATFORD

approx £27k +car

Managing and maintaining over 2000 miles of waterways, British Waterways are the experts on the commercial development of waterbased leisure, tourism and transportation. We have recently undergone a major culture and organisational change supported by the introduction of the latest in IT systems.

In order to maximise the return on this investment in people and systems, we have identified the need for e financial management specialist to act as a consultant within the organisation. The main purposes of this role are to extract the maximum benefit from our new financial systems, increase awareness of the value of information as a resource and the epplication of technology to realise it. In addition you will advise on the control of major commercial developments and financial systems, and undertake specific consultancy tasks relating to financial management.

This post requires a highly motivated individual with bags of initiative, well developed presentation skills and an accountancy qualification. You will have made significant achievements in an organisation during a period of change where you will have championed the importance of quality information as a corporate tool.

For further details and an application form please contact Sally Charman, Personnel Manager, British Waterways, Willow Grange, Church Road, Watford WD1 3QA, tel 0923 226422 ext 336.

British Waterways



CONTRACTS & TENDERS

POSTPONEMENT OF APPLICATION DATE

Prequalification of Contractors for the East Bridge of the Great Belt Link in Denmark.

A project is being undertaken in Denmark during the period 1987-1996 to establish an 18 kilometre (12 miles) permanent link across the Great Belt between the two Danish isles Zealand and

The Employer is Great Belt A.S., (A/S Storebæltsforbindelsen), wholly owned by the Kingdom of Denmark.

Two major contracts have been awarded and the construction work has commenced. One contract is a double 8 kilometres bored rallway tunnel between Zealand and Sprogoe and the other contract is a 6.6 kilometres combined road and railway bridge between Funen and Sprogoe. The East Bridge is the third and lest part of the 18 kilometre long fixed link across the Great Belt. The invitation to submit tender for construction of a 6.7 kilometre iong motorway bridge with four lanes and two emergency lanes will be sent to a selected group of contractors.

A preliminary date for submission of tenders is October 1st 1990 with expected commencement of contract early 1991.

Tender designs will include: - A 1,200 - 2,000 metre main span, suspension bridge or alterna-tively a 900 - 1,200 metre main span, cable-stayed bridge. -30-45 approach spans, each 110 -160 metres, in either concrete or

 Substructure constructed as prefabricated floating caissons (founded directly on the seabed).

A decision of whether to tender the alternative main span solution

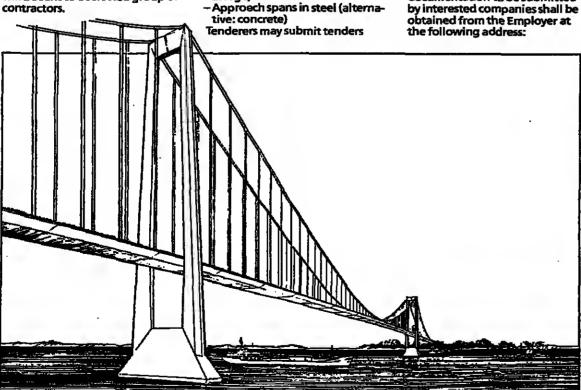
as a cable-stayed bridge may be taken in December 1989. The Employer may divide the works into the following contracts: Substructure (possibly inclusive of

pylons). uperstructure consisting of: Main span, suspension bridge (alternative: cable-stayed bridge)

based on their own alternative de-

The request for prequalification

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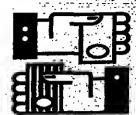
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FINANCIAL TIMES



Far from paving the way to demolition of the Bar, the Government's law reform plans provide

an opportunity for barristers to become the specialised consultancy arm of the legal: profession, argues Robert Rice, Legal Correspondent

How the Bar can survive

LORD DONALDSON, the Master of the Rolls, and no stranger to controversy, has reopened old wounds between the Bar and the Law Society. Many feel his comments on

rights of audience for solicitors in the higher courts, made at the recent Bar Conference, were not helpful particularly when both sides of the legal profession were moving towards a more constructive attitude to the Government's

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proposals for reform.
His comments were widely seen both by the Bar and the Law Society as a broad hint that the statutory objectives set out in the White Paper, coupled with the regulatory role given to the senior judiciary, meant that a number of areas of advocacy work in tha High Court and above

could be preserved for the Bar.
Yet as Lord Mackay, the
Lord Chancellor, pointed out
last week, the issue of extending solicitors' rights of audience remains one for discussion within the framework established by the White Paper. between the Lord Chancellor, his lay-dominated Advisory Committee, the profession and the four senior judges.

In deciding whether or not to

wider advocacy rights, the four senior judges would need to have regard to the Advisory Committee's advice as well as taking into consideration the statutory objectives set out in the White Paper, he reminded the Master of the Rolls.

Their decisions would also be subject to public scratiny

and possibly in the last resort, to judicial review. Anyone who thought that was "window dressing" should remember that only three years ago the Lord Chancellor himself had heen the subject of judicial review proceedings brought by the Bar over legal aid pay rates, Lord Mackay said. Lord Donaldson's remarks

were particularly unhelpful to the Bar, because if it is to survive as an independent specialist body of advocates it will not be enough for it to rely on a broad hint that, when push comes to shove, the senior judiciary will see it is all

The natural extension of the Bar's argument about erosion of its exclusive rights of audience in the higher courts is that the Bar as a career will become less attractive; its best talent will be lured away to the concur with any new rules financial security of larger



The Legal Profession

firms of solicitors and ultimately the Bar as a separate, independent body of specialist advocates will wither away.

After the initial panic that followed publication of the

Government's proposals in January, the Bar took long overdue steps to reform its structure and working pract-ices which should go some way to safeguard its future.

By far the most important of these measures was the decision to pay pupil barristers a minimum wage financed out of a levy of all practising barristers. Some chambers will pay more than others, a few offering salaries to pupil barristers

प्रदेश सम्बद्धिक प्रदेश हैं । के केक कारक कारक कारक की इन्हें है है जो अपीन है कि है, है है है है के बीच की पार

comparable to those on offer from the City law firms. Yet the Bar has turned its

face against partnerships between barristers, the very structure which would not only have allowed all chambers more easily to pay pupils the sort of salaries offered by the City law firms to the best graduates, but more importantly to nurture and train them through the early years.
It has rejected partnerships

on the grounds that these would make it ethically impossible for two barristers in the same partnership to act for opposite sides in the same case. The conflict between one

to his client would place him in an impossible position.

To barristers of course, this makes perfect sense. The safeguard their future. It is an outside world, however, finds example that other areas of the it difficult to see the distinction between that situation and two barristers sharing the same chambers, clerk, support facilities and perhaps even the same office while acting for opposite sides in the same case. That frequently happens now.

It is clear, however, that the an example. The Patent Bar Bar will not disappear and the new European Law altogether. In the commercial field in particular, the recent

partner's duty to his fellow formation of the Commercial partner and the duty he owes Bar Association shows the determination of commercial sets of chambers to build on their services and expertise to

Bar might do well to follow. The successful future of the Bar depends very much on its playing to its strengths. Numerous areas of practice exist with opportunities for building on current expertise to create true specialist services. The Planning Bar is an example. The Patent Bar Chambers with offices in London, Brussels and Duhlin

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across national US law Grate and Europe 2. Western firms in eastern Asia 3

for foreign plaintiffs

provide good role models.

The City law firms also have an interest in ensuring that a body of independent specialist advocates remains. Though the leaders of the Bar may seem to suggest otherwise, faw are anxious to increase to any great extent their in-house advocacy capacity. Most of them cannot see why successful and established barristers would want to leave envisage wanting to recruit barristers who were not successful and established. On the contrary, many of

them see the White Paper proposals as a great opportunity for the Bar to become a truly specialised consultancy arm of the legal profession. Herbert Smith, for example,

which has one of the largest commercial litigation practices in the UK, noted in its response to the Government's proposals that the traditional role of the Bar as adviser to and collaborator with solicitors was changing to more of a

competitive one.

The proposals, if the Bar is prepared to embrace them, in particular the increase in rights of direct access coupled with the ability to form multidisciplinary partnerships, would give the Bar a much greater competitive edge than it enjoys at present.

There is room for collaboration between barristers and accountants in litigation support, insolvency, company and tax advisory work. And there is room for links with other professions, such as surveyors and planners, between barristers and the London offices of foreign lawyers (the Americans in particular) and for an increase in competition with solicitors for direct access to other foreign clients, particularly in Europe.

But the ultimate survival of a successful, competitive Bar depends crucially on its ability to attract lawyers of the right calibre. At the moment the odds are stacked against it. In spite of a considerable number of very skilled and specialist lawyers at the Bar, there are too few to meet the demands on them. Large parts of the Bar are also devoid of the degree of specialisation necessary for what aims to be the consult-

ancy arm of a profession. This bowever, as Herbert Smith also pointed ont, has nothing to do with the Government's proposed reforms. One of the main reasons is that high calibre law

graduates are in short supply, and the Bar is finding it difficult to recruit sufficient able candidates.

In 1986, of the students with good law degrees (Firsts or Upper Seconds), 825 chose to become solicitors and 144 to be barristars. As 320 law graduates chose to become graduates chose to become barristers that year the result was that less than 50 per cent of the Bar's potential intake had good law degrees. The proportions were similar in 1987. Though many sets will argue that they have never had any problems in recruiting the best number it seems that the best pupils, it seems that the overall standards of the Bar

are declining.

The Bar also suffers at the other end in that it is still the exclusive supplier of the higher judiciary. If not all the best advocates choose that path, a large number of the Bar's brightest stars are recruited to the bench, further weakening what is already a small specialist elite. For the smaller and medium

sized solicitors' firms both in and outside London the survival of a Bar is essential. While the large City firms are less and less inclined to seek opinions from counsel, because they have the expertise in-house, the smaller and medium-sized firms need and rely on a specialist Bar.

This does not, however, remove the necessity for the Bar to become a more genuine specialist arm of the profession. If it does not, it will always remain open to tha smaller firms to do their own advocacy to the extent that they are able and to obtain what they cannot deal with, together with their specialist legal advice, on an agency hasis from the larger firms capable of providing it.

As the cold war rhetoric drifts backwards and forwards between the judiciary, the Bar Council and the Law Society over the coming months, the rank-and-file members of the Bar would do well to remember that its future lies not in resisting change hut in ensuring that it can become the truly specialist consultancy arm of the legal profession.

If it does not lose sight of that and can succeed in promoting itself as such at home and abroad, there is every reason to believe that a strong and prosperous Bar, albeit smaller than at present, will survive long into the next

leading-edge

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What does the single European market mean for UK lawyers?

A wider horizon across national boundaries

practise in the European Community. Their gross annual income is in the region of

The single market may affect their professional organisation and will certainly challenge most of them to widen their horizons in the daily practice

Lawyers' views of it vary according to where they prac-tise. The business dynamics of the big English law firms are quite unlike those of most mainland EC lawyers, who tend to practise alone or in small groups. However, the groups are growing. Gide Loyrette Nouel in Paris

has 100 lawyers, for example, and two mergers of German firms across provincial boundaries were recently approved by the Federal Constitutional Court. The EC measures help-ing lawyers to move about the Community affect their rights to practise as individuals, not as firms, nor do they have any-thing to say about establishing "offshore" offices. The 1977 directive gives law-

yers the freedom to act personally for clients throughout the EC, and the professions will have to recognise the qualifications of visiting EC lawyers under a directive which will come into force in January This second directive would be revolutionary if it allowed the migrant lawyer to join local lawyers in partner-

ship while remaining in partnership under his home profession's rules. Its wording is obscure, but it almost certainly oes not do this.

It seems the new directive does not in any way affect ethical rules or lawyers' rights to organise themselves. Local professional rules will continue to decide these matters: an English solicitor recognised as a French avocat would not, as an avocat, be allowed to be the partner of solicitors.

Currently, only the Netherlands allows partnerships between its own and other EC lawyers, but the UK is expeced to do so soon

The threat of predatory for-

The UK is expected to allow partnerships with other EC lawyers

eign firms can be over-esti-mated. As with mergers between UK law firms, it is hard to get facts: lawyers will-ingly disclose that they have been courted, but few acknowledge that they have unsuccessfully done the courting.

From a business point of view, it seems unlikely that many law firms will want to pnt capital into speculative ventures, except possibly in Brussels where all the EC's lawyers can practise EC law. Even the single market cannot change the national nature of law - an English company doing business in England is still most unlikely to consult a German or Italian lawyer

Most prudent lawyers would probably agree with Mr Lloyd Evans of Berwin Leighton in London that adapting the firm's EC practice in response to clients' changing needs is more likely to lead to success than setting up costly foreign operations in the hope of win-ning local trade, or even offering "1992" services in the

The European dimension intrudes into existing habits of legal practice in three ways awareness of EC law as part of the law applied in all the EC countries, direct practice in Brussels and Luxembourg, and legal work arising from cross-border business. Direct practice of EC law at the Commission (competition law, antidumping and, in future, possi-bly the environment) mainly affects lawyers with fairly big business among their clients, since smaller commercial dealings are usually exempt from competition scrutiny

The Commission's power of intervention in takeovers and mergers, first given shape by the Philip Morris judgment in 1987, is an important new legal aspect of corporate work, and is set to expand for very big deals if the merger regulation is adopted this year, as is now said to be likely.

A major EC influence flows from the process of opening the frontiers. Cross-border trade increasingly means dealing with the national laws of the other countries, a feat few lawyers can achieve personally. It involves big deals and little deals and all the deals between – buying and selling, taking employment in another EC country and joint business

ventures, for example.

There is no special difficulty (except possibly in language) in handling clients' cross-border business. No English solici-

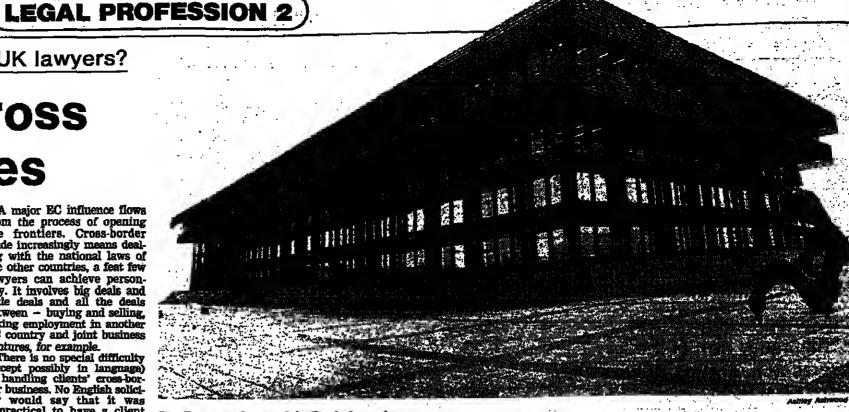
lawyers to quite a narrow locality within the country, so they are used to dealing with their counterparts in other places. What is needed is a reliable source of reference: it is vital to recommend a good lawyer. Most lawyers with a business clientele already have a good many contacts, or at least

nent but personalised link with a law firm in another centre, or The first option is enor-

tor would say that it was impractical to have a client who wants to do business in Scotland, or vice versa, simply because the law is different. Many EC systems confine

a tried means of finding them. In addition, there are three options; set up an office in a foreign centre, form a perma-

mously expensive, fraught with professional complications in many EC countries and viable only when demand-



led by clients who will use it. The second option is popular, but has a hig drawback; if you form a close association with one firm, you may exclude yourself from contact with other firms in the same place.

Some firms are trying the tightest and most formal as ciation open to them - the European Economic Interest Greuping (which incidentally has a good *communautairs* feel to it). Mr Philip Goldenberg of S J. Berwin, the London law firm, doubts whether EEIGs are especially useful for law-yers. He argues that the EEIG cannot carry on the partners' core business of legal practice, only subsidiary activities such as support services, and that these could as easily be run by

tages, he points out, since any income it generates is taxable in the hands of the partners. The Anglo-Spanish Legal Service is a recent example of a less formal but personalised link between law firms. It was

Panic and delusions of grandeur - each uniustified

set up by Boodle Hatfield, a 37-partner London-based firm with strong Latin American ties and a practice in the corporate, commercial and property fields, and Bufete Lupicinio Rodriguez, a 15-lawyer Madrid

firm with a similarly businessoriented practice.

Mr Antonio Irastorza, a part-ner in Boodle Hatfield, is one of only four dual-qualified Anglo-Spanish lawyers. The new project offers more than simple referral, since lawyers in both firms are in daily contact with each other.

Outside this kind of two can-

tre arrangement, or if a firm has none, a network can offer a safe but non-exclusive referral system throughout the EC. A new venture, Eurolink for Lawyers, was set up this year by lan Cooper Communications of Leeds. It offers a vetted selection of law firms across the EC, not only in capital cities. The details of each firm, partieularly its specialisations, are included in the data-base

which members receive on

The organisers back this up by finding contacts outside the membership, if needed. The first of Eurolink's twice-yearly conferences early next month will debate ways in which lawyers can best handle the single
European market. Over 60 per
cent of its members are from
the mainland EC although the the mainland KC atmough the network's language is English. The single European market inspires both panic and defusions of grandeur in lawyers, each as unjustified as the other when dispassionately assessed. What it certainly promises is lots more legal work and -lawyers willing - a more gen-erons spirit of co-operation.

Celia Hampton

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MULTINATIONAL PARTNERS

Transatlantic liaisons can be satisfying

THERE IS nothing startlingly new in this particular courtship. Law firms from both sides of the Atlantic have been ogling each other for some time now. It is more that its strange, discreet rituals have grown more intense of late. But serious relationships are one thing, formal exchanges of rows quite another.

That cantionary note on multinational partnerships is sounded by Mr Bill Blackburn, chairman of the international committee of the Law Society and partner in city firm Theo-dore Goddard. Full partnerships imply the sharing of losses as well as profits. Many forms of association short of

full partnership are possible.

The increasing importance of the European market to US, and now Japanese, companies provides the chemistry for the

US reasons for a foothold in Europe may be defensive

mutual attraction between US and London law firms. They believe they can serve such international corporate clients better by exchanging and pool-ing resources and certain areas of expertise. Lawyers on the Continent have already indicated that they take the need for size and muscle seriously, with cross-country mergers taking place or on the cards in

Germany, Italy and Spain.
However, many US firms'
reasons for wanting to establish a foothold in Europe are defensive ones, says Mr Stephen D Kon, partner with S J Berwin, who has just returned from a speaking tour to American legal practices. They made clear their concerns about losing business from US clients to European firms in general, and UK firms in particular.

One of the longest standing transatiantic relationships is between Texan-based Bracewell and Patterson, with 100 law-yers, and Boodle Hatfield, with 60. It was based initially on oil exploration in Texas, and the need for investors to raise exploration finance in the London markets. Partners from both firms worked side by side on deals. "We learnt a lot from working with Americans, par-ticularly about the presentation of work to the client."

says Mr Michael Loup, partner in Boodle Hatfield.

The relationship is now based on Boodle Hatfield giving one of Bracewell's partners a seat in its London office, and providing full services back-up, while the London firm sends young lawyers to Texas for experience. Boodles has developed similar "arrangements" with two other US firms, spe-cialising in intellectual property and government contracting, with which it is circulating an EC newsletter. The eyes of the legal frater-

nity are focused, at present, on what is developing into perhaps the most far-reaching relationship so far, that between Los Angeles based

O'Melveny and Myers and Lon-don firm MacFarlanes. Described by Mr Perry Lerner, O'Melveny's London partner, as a strategic alliance, it incor-porates a number of building blocks:

O'Melveny, with an office in Tokyo and possibly the largest number of Japanese clients of introduce MacFarlanes to Japanese clients with interests in

Europe.

A partner from each firm travelled to Hong Kong together to promote their services and expertise in offshore funds to wealthy residents of the colony, with an eye on I) A MacFarlanes partner will spend a year in O'Melveny's Los Angeles office to learn about entertainment law. One

of O'Melveny's entertainment specialists will train and work with MacFarlanes' lawyers in its London office. In the two firms have agreed to work together to adapt a range of financial products, originating in the US, for the English

market, principally in the area of leveraged buyouts, with software development as a core ☐ They intend to co-operate on the marketing of tax planning mechanisms such as pension plans to Americans wanting to

invest in England and vice They plan to open a joint Brussels office, statled by law-yers from both firms and simed at providing an EC-ori-ented service for US and Japa-

nese clients in particular. They are also investigating together openings in West Germany. "Our type of relationship offers all the advantages without any of the traumas of a formal merger," says Mr Lerner. It is not exclusive, leaving both firms free to deal with other US and UK firms. The aim is to develop business that neither of them would have without the relationship.

MacFarlanes. 22nd largest

MacFarlanes, 22nd largest firm in London and 26th in

What one American calls a shortage of brides and grooms

England, had set up an internal task force to assess its European and global strategy, and realised that, on its own, it would be unable to achieve any critical mass outside the UK. "We needed help to capitalise, in particular, on oppor-tunities around the Pacific Rim," says Mr V E Treves, MacFarlanes' senior partner. He saw London competitors opening offices in Tokyo and losing money.

O'Melveny had talks with 15 UK firms and many discus-sions with MacFarianes before entering into an alliance. "It turns out we like each other a great deal," says Mr Treves. "We both have a very strong sense of partnership, ethos and cohesion and much less regard for the bottom line than many Continued on Page 3

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Asian practices seem to pay off

ON April Fool's Day 1987, a virtual 22-year ban on foreign lawyers came to an end in

Up until then since the passing of the Lawyers Law 1955, a foreigner could only practise as a Japanese lawyer, and then only if he had passed the Japanese Bar exams — ap unrealistic expectation, in view of the 1½ per cent pase rate, achieved once only by a foreign lawyer, an American called Thomas

In 1987 the rules were relaxed. Foreign lawyers can now practise in a restricted sort of way if registered as a gaikokuho 'jimu benegoshi (GJB). In that year seven English law offices opened in Tokyo – Allen & Overy, Clif-ford Chance, Freshfields, Linklaters & Paines, McKenna & Co, Richards Butler, and

The most recent arrivals are Denton Hall Burgin & War-rens, which has just established an office in Tokyo, run by Mr Richard Playle, the only Japanese speaking registered

English lawyer in Japan. Clifford Chance has the largest of the Tokyo offices. It started off with six lawyers and now has 15, including three GJBs and two prospec-tives going through the six -month registration pipelipe. Other offices have two, three or four lawyers with at least one GJB.

The expense of operating in Japan is horrific, so is it worth

Being still understaffed with 15 lawyers speaks for itself, says Mr Geoffrey White of Clif-ford Chance. A finance based practice in banking and com-pany work, with negotiation of ernational contracts in what has become the most important financial centre in the world; has led to extremely high profits. Despite res

pite restrictions on prac tice and the irritation of hidden trade barriers, English lawyers are enthusiastic about

They can perform only "such business as relates to the law of the country in which they have qualified" but, according to Mr White, that is no problem Contracts are interna-tional Negotiations and documentation are in English. and if an advice includes the aw of another country it is

A foreign firm cannot practise under its own name in Japan

specifically attributed to a source in the appropriate

country. The main thorn in the flesh of a foreign firm is that it cannot practise under its own name in Japan, but must bear the name of its GJB plus the wording Galkokuho Jimu Ben-

goshi Jimosho – which by law cannot be translated, but means "office of a foreign lawby word-of-mouth recomme yer." Not only does goodwill suffer as a result, but there is This year Simmons & Sim-

mons celebrates its 10th year in Hong Kong, where it has 20 lawyers. Undannted by the also the inconvenience and expense of changing the name every time a partner is recalled events in China, it has no intention of running the office One firm which is as enthudown. Just the opposite according to Mr Paul de Chazal. siastic about Japan as anyone else, but considers an office senior partner. nnnecessary, is Simmons & Simmons. It maintains an

Simmons' plan, insofar as anyone can plan anything, is to have a south-east China law office in 1997. Its China group. set up to deal with the mainland, has also been going successfully for many years, and could possibly merge with the Hong Kong office when 1997

With an eye to that future Simmons & Simmons has operated a long-standing localis tion policy of integration and employment of Chinese law-yers which has been somewhat thwarted by the Chinese tendency to depart and set up on

he helievas. Someone in

England takes and fails the

exams, qualifies in the US, joins a multinational partner-

ship and returns to London.

The public will find it difficult

to detect who is admitted

There are signs, meanwhile, that the cultural barriers to

potential arrangements and

partnerships are weakening. The 50 or so US firms practis-

ing in London already work

closely with UK firms and once

links are established there will

be yet more toing and froing, says the Law Society's Mr

It is perhaps significant that large UK firms have adopted

US terminology in the adminis

tration of their practices, Man-

aging partners and manage-

ment committees are just two

In the final analysis, market forces will determine the

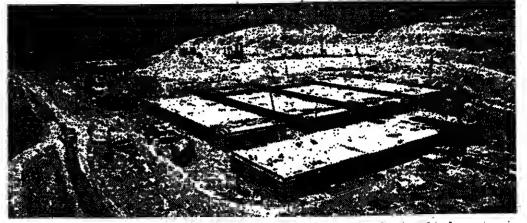
extent of merger mania, says

Mr Bate C Toms, of Pepper

individual clients will push

think they must do the same.

milton and Scheetz Either



McKenna & Co in Hong Kong: the Eastern Harbour Crossing to Kowi

their own once qualified, but may have greater success with growing belief that that. the bigger the firm, the more efficient the practice.

The general legal attitude to Hong Kong — its immediate state of uncertainty as well as the 1997 change-over - is opti-mistic. Certainly there should

Mr Camille Tojo of Alsop Wilkinson Driver points out dispassionately that if Hong Kong plunges into recession or slowdown in major markets, there will be an avalanche of litigation and insolvency work. If the property market remains unaffected, as it appears to be at the moment, and if last year's economic performance is maintained, conveyancing and commercial work will continu

to thrive So the lawyers cannot lose unless of course the troops walk in tomorrow and they all

walk out.
Mr Robart Phillips of McKenna, now in London as co-ordinator of its Major Pro-jects Unit, but previously senior partner in Hong Kong from 1983 to 1988, confirms his firm's commitment to Hong Kong and hopes to see it there in 1997. He has operated a policy aimed at mutual knowledge and understanding and like Simmons & Simmons has encouraged the employment and training of young Chinese lawyers. Not all the Hong Kong staff speak Chinese, but several have a capability in Cantonese, the local dialect, and Mandarin, the official business

When 1997 comes, there will be a double legal system, of basic law and Hong Kong law, which will follow common law principles for 50 years. The Hong Kong Government has already started the massive project of translation from the English. All legislation

OME BARRIERS DON'T

NEED DIRECTIVES

TO DISMANTLE THEM

language

borrowed from the UK will have to be localised before 1997. The natural tendency at first will be to use English in legal matters, but in time to switch over. There are 50 years to do it in. Things look good for the translators as well as the lawyers.

"If Hong Kong plunges into recession, there'ii be insolvency work"

So, as yet, despite an uncer-tain futura, Hong Kong remains a significant intern tional commercial centre. It has not been overtaken over by Singapore, as was once antici

Singapore does not welcome foreign lawyers and not a lot happens there from the foreign lawyer's point of view, though it can be useful for finance.

Apart from Freshfields which obtained a full licence to practise in 1981 only to have it taken away a few years later, no foreign firm has been granted a full on-shore licence. A lot of deals are put together and financed there, but performance usually takes place else where in the south-east Asia

McKenna & Co, with a Sing pore off-shore licence and a lot of work in Indonesia out of Singapore, thinks in terms of a south-east Asia practice, and has just established a presence in Indonesia. As foreign lawyers they cannot practise, hut have done a deal with a Jakarta law office and will be represented there by Mr Oliver Wright, an Indonesian-speaking construction and corporate

Mr Stephen Whybrow, senior partner, sees Indonesia as an exciting area where rapid economic growth, increasing foreign investment and a defi-

ciency in the supply of legal advice, make it an obvious target for foreign lawyers capable of acting in a commercial consultancy capacity and of negotiating commercial contracts.

Another area of opportunity for foreign lawyers, according to Mr Ian Gaunt of Sinclair Roche & Temperley, is Korea. International trade is still unfamiliar ground to local lawyers. Foreign lawyers are, however, discouraged and usually act in a advisory or backroom capacity, producing English language documentation for

In theory, the Minister of Justice has authority to license foreign lawyers "when it is deemed appropriate," but few licences have heen granted,

local firms.

A strong protectionist attitude among Korean lawyers

and there is a strong protectionist attitude among Korean lawyers which makes liberalisation unlikely.

The growing exploitation of natural resources by British, US and Australian companies and the inevitable upsurge in economic growth throughout south-east Asia make it a natural hunting ground for the UK city lawyer with a tradition of commercial law behind him.

What south-east Asia is all about, says McKenna's Mr Phillips, is the integration of UK city experience with the knowledge and understanding of local firms. International projects can be efficiently, quickly and successfully comleted through competent collaboration and the mutual contribution of expertise.

Transatlantic partnerships

Continued from Page 2

Slaughter and May.

other firms But it would be quite wrong to destroy the friendships we have made with other firms. We have turned down the many offers from UK firms to merge, and have no intention of merging now," Will full-bodied mergers be

more likely should they be permitted by the Lord Chancellor's department and the Law Society? There are several reasons why lawyers here have their doubts.

Concern about the loss of referrals, inherent in any exclusive arrangement, is one worry uppermost in many UK' lawyers' minds. Then there is what one American lawyer calls the shortage of brides and grooms. There are over 100 US. firms with a possible interest in merger, but only between 20 and 30 sufficiently attractive London firms.

Differences in attitudes if it could, what would be the between US and UK legal professions over the distribution of profits might be another obstacle. We would be very because of the cost of taking hesitant about becoming part - out cover in the US, A relation

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خنابت بالما

don solicitor's with experience of co-operation with American lawyers. "The US practice of juggling profit shares turns partners' meetings into a bit of an auction and causes terrible

"US partnerships are much more fragile than people here realise, and I would be concerned lest the same happens in London." At the back of some lawyers' minds, perhaps, is the collapse of American firm Finlay Kumble which had a tie-up with Berwin Leighton. Their fragility is reflected also in the practice of poaching high flyers in key areas such as leveraged buyonts, inst starting to spread from the US

More important, believe other solicitors, will be the attitude of underwriters to such mergers. There are doubts whether a US/UK partnership could get insurance cover, and devel of premium. A few-American firms already practise without insurance cover ners in a US firm," says the ship which exposed firms to US

levels of damages would give many underwriters a fit, comments one London solicitor.

It is extraordinary how multinational partnerships are blandly accepted in the Green and White papers, while multidisciplinary partnerships are treated in a nit-picking way. For reputable firms of solicitors and accountants to get together must surely be a better bet than two firms from

The Law Society is now looking closely at just how mergers should work in practice. Its discussion paper examines the question of reciprocity, for example. There ought. to be a requirement, in principle, that US partners practising in the UK in partnership with English solicitors be from a state which allows English qualified solicitors to practise in partnership in the US without taking the state's bar exams, says Mr Hamish Adamson, director (international) at the Law Society.

There is concern also about how multinational firms should be regulated. The Council of the Bars of the Law Socinity has a common code of conduct governing cross-horder partnerships, but these do not cover lawyers practising outside the European Community.

unexplained presence" of con-

sultancy and contact, visits fre-

societies, keeps a constant watch on Japanese affairs and gets a lot of business, without

the staggering expense of set-ting up a formal base. Another firm with no plans

to set up in Tokyo is Morgan

Bruce & Hardwickes of Cardiff,

which handles Japanese work

in Wales - and which is cur-

rently concentrating on the imminent opening of its Polish

office. So far, its Japanese hust-

quently, helongs to Japanese

to the IJK.

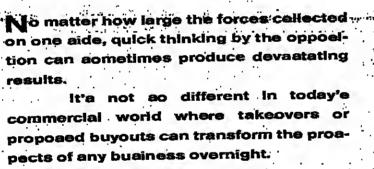
Another issue is whether the Law Society's own compensa-tion fund should have to meet a claim arising out of profes sional misconduct by a US lawyer of a UK-based international partnership. What should be sanctions for malpractice by that lawyer and which body should impose them, the home bar or the Law Society? ::

Certification of lawyers is one point which some lawvers believe has been altogether fudged by the Law Society. Though multinational partne ships may be recognised and regulated, little account has en taken of multinational lawyers, says Mr Joel Z Robinson, whose firm has offices in New York, London and New Himself admitted in all three

jurisdictions, he wants to see the concept of multi-admitted professional encouraged, with over 400 lawyers trained and admitted in the US and England. Lawyers practising in London or elsewhere in Europe should likewise be qualified in EC law, says Mr Robinson.

The situation, as it stands eties of the European Commu- could be open to manipulation. firms to expand this way or firms will look at their neighbours taking the plunge and

Alastair Guild



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THIS YEAR up to 3,000 people will pass the final examination for entry into the solicitors' profession. They will then be articled to solicitors for a period of two years and most will emerge as qualified law-

yers in 1991 Just how do they choose the firm to whom they are articled? In 1991 will they remain with that firm or look for greener pastures? Are there any

greener pastures, any way? As with so many things, it is the "have" and "have not" divide which will determine their career structures. Almost 1,000 of the recruits will obtain places in the "top" 100 firms, with Clifford Chance and Linklaters & Paines taking around 220 between them. The remaining 10,400 firms in the country will divide the rest of the appli-

cants among them.

Planning for the future is the name of today's game and that planning, with the major City firms, is long-term. Almost without exception the present partners in the large firms wish to see this year's articled clerks as their assistant solicitors in 1991 and their partners before the end of the century.

"You just cannot get good assistants who have been qualified for two years," says Mr John Calvert of Simmons and Simmons. The firm recruits about 55 articled clerks a year from some 800 unsolicited applications, taking up references on some 40 per cent and

seeing perhaps 200 applicants.

"And if they do come on to the market after articles, you have to screen them closely to find out why they are not staying with the firm to whom they were articled," he adds. The implication is of a legal rake's progress away from the City portals, along a trail of increasing degradation to offices in Holborn, Mayfair, and then the provinces and the suburbs. Not that all firms are keen to take assistants who have had articles in the City. "They

Articled route to partnership

MIGHT BE MORE OUT OUT

and afterwards with people

whose families are in com-

merce and that he will bring

the new generation into the

Now that they account for almost 50 per cent of the entry

into the profession, women are

"in" also. Career breaks for women with no loss of status

or seniority are becoming com-

monplace among the larger firms, although the smaller the

firm the more strain it puts on

the remaining members of the

Frere Cholmeley, which

offers consultancies, job-shar-

ing and part-time work to

women solicitors taking career

breaks, has issued a set of

guidelines to women in the

firm. We are very happy to consider career breaks. Up to two years there is no problem.

Over two years there are logis-tical problems," says Ms

Sophie Hamilton, the recruit-

"I suspect that career breaks

for men will come soon," she

says. "It is hard to see logically

however, are generally not "in'

among the hig firms. We have

a lot of coloured staff," says

one recruitment partner from a City firm, "but no articled clerks. We want people who

will feel comfortable with us

They don't seem to be able

to satisfy the high educational demands we have," another says. By contrast, S.J. Berwin

All recruitment partners emphasise there is no bar

whatsoever on Afro-Carib-bean articled clerks. If they are good enough, we'll have

them, but we are not just hav-

ments one recruiter.

ing a token one, whatever the Law Society may say," com-

Apart from a potential life-

Apart from a potential life-time in the practice, there are more immediate tangible bene-fits on offer by the top firms. Starting salaries of £17,500 are being offered by Gouldens, a 26-partner firm which is

looking for 16 articled clerks this autumn and, almost cer-tainly, other firms will soon seek to match this.

There are opportunities to work abroad. Paris, Monte

Carlo, and Milan are all avail-able for articled clarks at Frere Cholmeley which has just pro-duced a 17-minute tape aimed

at articled clerks and extolling the firm's virtues. "It is intended to give a flavour of

Ethnic minority recruits,

why they should not."

and we with them.

partnership.

MOON & C.5

FOR A PROMINCIAL FIRM

aren't the sort of people we want at all," says Mr Piers Coleman of four-partner Fleet Street commercial firm Sebas-

tian Coleman. They just won't roll up their sleeves. We would much rather have our own articled clerks and start training them in our ways from day one.

Coleman receives around 60 applications a year and takes three articled clerks who generally come through personal commendation. But Mr Paul Pattinson, of

Boodle Hatfield, which takes a dozen articled clerks a year (half of them women this year) from around 300 applicants is not always put off by those who have done their articles with a large City practice.

"You need to ask into which department they wanted to go, how many vacancies and how many other applicants there were. Just because they have not been kept on does not necessarily mean they are in dis-

What are the firms seeking and what are they offering? Many will see only law graduates with 2.1 degrees from a handful of what are currently considered the best universities for law: Oxford, Cambridge, Durham, Bristol, Nottingham, Southampton and

"I think they are missing something," says Mr Calvert. There may be perfectly good reasons why someone hasn't obtained as high honours as he would expect but he may still

have plenty to offer."
Compatibility and good connections are "in". As one recruitment partner says. We hope the articled clerk will have made friends at school

potential articled clerks during their last year at law school. Mr Michael Trask, of S.J. Berwin, finds that as a medium-sized firm it must keep up with the "giants" in terms of the salaries and benefits on END LUCK. PERHAPS YOU

What we do find helpful is when a case involving a client of ours makes the newspapers such as the recent Hoylake bid for BAT. It provides an objec-tive statement to set against the brochures saying how wonderful firms are," he says.

sort of maintenance to their

With such a volume of appli cations received annually and the attractions they can offer the most desirable clerks, it is easy to see why City firms believe that, for them at least, the much publicised recruitment crisis of recent years is

The major provincial firms are also happy with the way recruiting has been going for 1990 and 1991. "Last year we had the best in both quality and in number," says Mr Kevin McLonghlin of Leeds firm Dibb

upton Brombead. It is a trend confirmed by Andrew Scorah of Liverpool and Manchester solicitors Lace Mawer which adds that "the sjority of able candidates has

The other end of the scale eems light years away from these golden boys and girls. The 2,000 remaining clerks will almost all find places, with the ethnic minority applicants end-ing mostly at the bottom of the

Many will receive 28,200, the basic minimum salary that the Law Society requires firms to pay before articles can be registered. There will be no golden hellos and not much in the way of perks except luncheon

Fortunately for that end of the profession a recent survey involving more than 400 undergraduates showed that the level of salary on offer is one of the least important criteria of the final year law student. Forty-two per cent said they did not intend to seek articles

Yet recruitment of qualified staff outside London does remain a problem, particularly for the smaller firm. Posts in the provinces may remain unfilled for three to six months and those in the south-west and north-east may stay vacant for up to a year, says Mr Murdoch Morrison of the Law Society's Recruitment

Articled clerks may not be asked to stay on after articles finds a number of high quality as firms specialising in legal applicants are coming from and find it impossible to pay itor, which is now getting on for £20,000. A new articled clerk is far cheaper.

"In a two-partner firm it is a major expansion to take on a new assistant solicitor," says Mr Morrison. The bigger you are, the easier life is. The smaller the firm, the harder

But it is not just the small, provincial and suburban firms who have had difficulty recruiting qualified staff. Even though the salaries paid by the thought the said a past of the larger provincial firms are not that far apart from City of London ones, they still have had recruiting problems.

"There is a misconception that work and opportunities in London are greater than else-where," says Mr Morrison. "There is a belief that the work undertaken by the major pro-vincial firms is somehow less interesting. The more general the practice, the more boring it is thought to be. This is, of course, complete nonsense.

the firm," says Ms Hamilton.

A "travel scholarship" of £1,500, lasting six months, is another inducement on offer by one major firm and it helps with the technical problems of a large intake of clerks all on one day. A "colden bello" is He believes that solicitors are no good at selling them-seives to potential staff. "The bigger ones are getting better, the smaller ones have still to learn." For them the recruitone day. A "golden hello" is offered by another City firm. One way or another, firms ment crisis will continue The writer is a solicitor and edi must now expect to pay some tor of New Law Journal.

Simon Carne looks at multi-disciplinary practices

A spur to efficiency for protected monopolies

THE GENERAL perception is that accomiants favour multi disciplinary practices (MDPs)

and lawyers are against them. Scratching beneath the surface of this superficial analysis, one usually finds a more inter-esting split. It is this: accountants have no real desire to form MDPs with other pro sional firms but want to be free to do so. Lawyers, on the other hand, do not just reject MDPs but wish to be barred from entering into them.

Accountants are only human They dislike being told they cannot do something. even if they do not want to do it in the first place. They might want to one day, so it would be as well to make it lawful now. Lawyers are equally human. When they disapprove of some-thing, they like it to be prohib-

ited by force of law. It is interesting to note that accountants already do tax, insolvency, trust, financial ser-

They dislike being told not to do something, even when they don't. want to do it

vice and data protection work - all quasi-legal areas. Is one of the differences that accountants already do quasi-legal work but lawyers do not do quasi-accounting work? We tend to talk of MDPs as

though they were all of one type but they are most cer-tainly not. At the very least, there are the following four, distinctly different, forms of

a) a firm where members of sion enter into partnership with individuals who are not members of a regulated profession, eg accountants and

b) a firm whose partners come from more than one regulated profession but one profes sional clearly dominates, eg 200 accountants and five actuaries; this is akin to the multi-capacity practices described in the Marre report;

c) a small firm of niche practitioners made up of more than one profession in proportions which do not leave any one profession in a dominant position, eg a handful of lawyers and accountants in partnership giving mergers and acquisi-

tions advice; d) a firm which is clearly a market leader in too regula professions, such as would arise if there were a merger between one of the top firms of accountants and a top firm of

Legally, of course, it would be virtually impossible to legis-late that two professions might intermingle in one partnership so long as the resulting form was not a market leader in both fields. But in economic (or "market") terms, the distinc-

tion is important.
There would be a major effect on competition and choice – not to mention con-flicts of interest – if the top law firms and the top account ing firms were one and the same. That would not be true if there was one - or even 100 . mall firms of accountants and

So what is it that the accountants want and the lawyers want to han? In all probability,

two different things.
The accountants already
have forms of MDPs which they share with non-regulated professions (in large numbers) and regulated professions (in small numbers). All of the major accounting firms have associated management consultancies. Some of the consultancy partners are also accountants, but most are not.

The majority of the manag professionals, human resource consultants, operations experts and the like. Some of these groups are members of another professional body. All of them practise as "professionals" aspiring to the highest standards, but none of the activities listed above is a regulated

One might have expected accountants to merge with actuaries - both professions actuaries - both profes provide financial advice. But when actuaries have merged outside their own profession, they have looked elsewhere. In the UK, Duncan C Fraser, for-merly one of the actuarial top three partnerships, has merged

group, an insurance broking

The leading American actu-arial practice, Towers Perrin, took a different direction. It went into compensation consultancy, thence into human resource consultancy and more recently acquired a firm of strategy consultants and a firm. of specialist insurance management consultants. The result one of the four largest management consultancies worldwide and the largest in the field of

human resources.
So what is the way forward for lawyers and MDPs? The evidence is that few lawyers (if any) at present want to see a mega - merger between law firms and those of other regu-lated professions. Perhaps the law firms have more to lose, at

ast in the short term. City law firms seem to be more profitable than the very big accounting firms (if The

City law firms seem to be more profitable than the very big accounting firms

Economist's recent estimates are anything to go by). Yet, ironically, their manag less sophisticated and their artner-to-staff ratios much higher (typically one-third or one-quarter of fee earners in a law firm are partners but one tenth in accounting firms).

Law firms barely invest in training (although that is starting to change now) whereas accountants spend 10 per cent of fee income on training. Information Technology dominates the big accounting firms, but is only now beginning to make an impact on law

If a mega-merger with the

with the Marsh McLennan professionals so that law firms can expand the range of their services. At least one major law firm owns a pensions/share schemes/compensa-

tion consultancy. The ability to flex their muscles in other areas might also enable smaller firms of solicitors to meet the threat from the licensed conveyancers. It is

a matter of some concern to an outsider" that the most often quoted argument for retaining the conveyancing monopoly is that solicitors could not afford to provide the less profitable services (usually ched as trust and probate) unless they had the more profitable conveyancing work to make the business. vorthwhile

This argument is deeply worying. There is, of course, nothing wrong with one part of a business being more profitable than another. It is almost mev-ttable. But why should house purchasers be compelled to subsidise other legal services? It is worth noting that the one protected area of accounting work - the company audit - generates the lowest fee rates and is liercely competitive.

In order to generate adequate profit to justify invest-ments, the accounting firms are forced to be ever more efficient so as to extract the maximum economic return from the lower fee rates.

The lesson seems to be that accountants and actuaries have used MDPs (or multi-capacity practices, using Marre's definition) to expand the range of their services and as a spur to improve efficiency in their protected monopolies. Lawyers might like to give it a try.

The writer's career has been multi-disciplinary. He leads. the Litigation Support Unit in Ernst & Young, is an actuary by profession and spent seven accountants is not wanted, per- by profession and spent seven haps lawyers might consider years as a management consul- opening their doors to other tunt.

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Why the size-for-size's sake argument is wrong

IF YOU ask two lawyers a question, it is said, you will get three answers. If you put an idea to a lawyer, you will certainly get "corrected" (se contradicted) immediately.

Add the snokescreen thrown up by the public relations trade — now widely used.

public relations trade — now widely used by lawyers to promote "practice development" (sales) — and it is impossible to discover whether lawyers have any opinions in common with each other at all. What ranks as a "mediumsized" law firm depends entirely on whom

Classification by size is a matter of comparison beside the City giants, firms of IOO lawyers are meillum-sized, but they are large in terms of the UK average, and gigantic in comparison with their-continental counterparts. Perhaps the medium-sized firm is better defined in terms of management and philosophy than

It has to be big enough to have an organised business structure, but small enough for each partner to have a say in how the firm is run and to know all his or her colleagues well, both personally and professionally. At a certain point, the numbers in a partnership will bring on a corporate, departmentalised structure. Few of the smaller partnerships relish this prospect. They know that clients also value the personal touch very highly.

There is a measure of snobbery about size — but some market leaders are not large

Too much work, even if it means more money, may make it impossible for them to maintain the relationship. There is a measure of snobbery about size: the higgest fees come from corporate finance (takeovers, share issues and so on) and commercial property. Corporate finance calls on a variety of legal skills, and often has to be done at speed, so it needs a higgish legal staff. Ergo, say some lawyers, there is no future for firms that are not hig enough to do it.

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enough to do it.

This is wrong firms of quite modest size are among the market leaders in the field.

Travers Smith Braithwaite, for instance, which has 31 pariners, against 100-200 in the hig City firms. "Aha," they will say, "TSB is an exception. It was a city practice long before the Big Bang." True, it has been a neighbour of the City institutions for two centuries; but it also proves that sheer numbers are not a pre-condition for doing corporate finance. Nor is presence in the City absolutely necessary: it all depends on where the merchant bank is. The Southampton office.

of Boodle Hatfield recently handled a

with the local branches of 31 as merchant banker and Price Waterhouse as accountant. Boodle Hatfield is admittedly a London-based firm, but is neither big (37 partners) nor in the City.

a London-based firm, but is neither big (37 partners) nor in the City.

But the size for size's sake argument is also wrong because servicing the commercial needs of business is comfortably lucrative. Everyone competes to do this work, including the mega-firms. They do not always win the competition. Many firms, which are small to medium in numbers are highly flexible and entrepreneutial, and some of their efficiency is due to the direct personal involvement of their members.

Apart from the idiosyncratic work all law firms have from the neighbourhood, historical associations, or perhaps an individual solicitor's hobby, medium-sized firms need a core business. As a very broad generalisation, they can go in one of two directions: either offer a comprehensive general practice for the smaller client, passing on the benefit of lower overheads in lower fees, or develop a special skill, whether in a particular field of legal practice or in a particular

business.

The first option, adapted to the business client, enables firms to serve local companies which like to deal with someone they know. Legal expertise may sometimes get stretched, but there are ways of handling the overload — a referral network, for instance, or instructing a

barrister.

Commercial property is the plum in this pudding. It comes in all shapes and sizes, is geographically diffuse and draws on the solicitor's traditional conveyancing akilla. Although it needs some specific expertise, law firms of all sorts can, and do, do it.

The second option is called a "niche" or worse a "soutique" practice by these who disparage the smaller law firm. Since it is usually the result of analyzing the

it is usually the result of analysing the market and the particular strengths of the lawyers in the firm, it is altogether sensible.

A firm's specialisation may be in a particular legal field, such as libel or patents, or in a particular business, for instance shipping or insurance. The firm will be familiar not only with the relevant legal issues, but also with the commercial practices of the client's business which a lawyer, as such, will know nothing about.

Piper Smith & Basham is an decting a special section of special section in the travel industry. Its clients include most of the major tour operators and, although it began by conducting only their litigation, the firm now handles much of their commercial advisory work and some of their corporate work as well.

Size alone is certainly no impediment to profes

STORESTON OF THE STREET STREET STREET, STREET,

this part of the practice, since personal contact is much paized by the clients. Nor is it a problem for the firm's other main activity, commercial property. There would undoubtedly be work for a few more lawyers, but the firm sees no need to be

larger just for the sake of it.

Fishburn Boxer is a London firm specializing in insurance work, with emphasis on professional indemnity and international insurance disputes. Mr Clive Boxer, one of the partners, is confident of the stryival of the medium-sized firm which offers a first-class service in a relatively narrow field. He puts no value on size as such. The sim is quality, not

Success inevitably brings some pressure to grow, and finding new staff can be a headache. At one time, there was talk about "having to" merge with other firms to survive, as if law firms could operate only with a large enough fleet of lorries. But a merger between law firms is like setting up in partnership: if the partners get on well and complement each other's strengths, it is a splendid idea. If not, if may well be a disaster.

Paradoxically, it may be easier for the

Paradoxically, it may be easier for the big firms to merge than the medium-sized ones. Either way, it is hardly wise to pursue it as an abstract goal.

The odds against a decline in the overall

If the partners get on well, a merger between law firms can be a splendid idea. If not, it may be a disaster

ranks of lawyers continues to be

The demands of the business community are set to grow in the highly regulated world of the 1990s. Even legal aid work can be made to pay if the law firm adopts business-like work methods, as is shown by the success in doing this of the Liverpool firm, Goldrein Deacon

advantages which should not be under-estimated. There is a story of a property developer with a flom site who shopped around for a lawyer. He got quotations ranging from £30,000 to £150,000, and one very big firm which declined to quote for such a small fob.

The developer chose the firm quoting £30,000, for which it was a substantial deal, and got the full personal attention of a partner with many years' experience. The job done, both sides were wholly satisfied. The law firm had carned a good fee and the developer had saved up to £120,000 - not a bad start for a lasting

Jonathan Lux explains the work of the Commercial Court

Redress for foreign plaintiffs

THE TRADITIONAL concept of the wheels of justice grinding exceedingly slowly is one that is repidly dispelled by examining the work of the Commercial Court in London.

It is at its most effective when it comes to the immediate interlocutory orders which can be obtained - for example,

cial Court in London.

It is at its most effective when it comes to the immediate interlocutory orders which can be obtained — for example, for the preservation of assets ("Mareva" injunctions) and the seizure of documents and other records ("Anton Piller" waders).

Remedies of this sort — for which one can approach a judge at almost any hour of the day or night — go a long way to ensure that the necessary evidence is in place for a fair trial and that funds are pre-

erial and that make are preserved to meet any indement. With some \$,000 actions each year, more than half brought by foreign plaintiffs and con-

As few as five firms represented as many as 49% of plaintiffs

cerning disputes which will have no English connections at all, the court's workload is handled by a team of no more than 10 High Court judges, of whom a maximum of six will sit to hear commercial cases at

any one time.

In 1896 a "Notice to Commercial Causes" provided for a "separate list of summonses in commercial causes (to) be kept at chambers" and for a High Court Judge to "sit de die in diess for the despatch of commercial business."

In fact, the Commercial Court has had a separate statutory existence only since 1970, although things have progressed considerably over the past 20 years.

Since 1990 the workload of the court has, in terms of the number of actions undertaken, more than donbled. While there is no hard and fast definition for the kind of business that might fall within the court's jurisdiction, and that which should be referred elsewhere, the main fields of activity involve disputes relating to the shipping industry, insurance and reinsurance, the international sale of goods, and

banking.
Aside from the specialist judges — and the continuing growth in the court's workload is a clear reflection of the

respect in which they are held worldwide — who else practises in the Commercial Court? The Civil Justice Review, carried out by the Lord Chancellor's Department, which finally reported late in 1966, presented, inter alia, some significant statistics on the work of the Commercial Court

of the Commercial Court.

The report noted that those appearing before the court were mainly from the specialist Commercial Bar (approximately 140 regular practitioners) and were instructed by a core of some 30 solicitors' firms. Analysing the degree of specialisation in the Commercial Court, the report revealed that as few as five firms represented as many as 49 per cent of plaintiffs—that is to say, only five farms were responsible for virtually half of the Commercial Court actions commercial Court actions

This concentration was rather less marked when it came to the representation of the defendants where, nevertheless, the same five firms shared about 25 per cent of the

In comparison, figures relating to Commercial Court judgments from November 1987 to the present show that during this period the top four firms were involved in nearly 30 percent of cases, acting for one party or the other. These firms were: Ince & Co in 8.2 per cent of cases, Clyde & Co 7.3 percent, Holman Femwick and William 6.8 per cent and Richards Butler 6.4 per cent.

involvement in pending actions, the greet majority of which are settled or otherwise disposed of prior to trial, shows the same four firms involved in something over 30 per cent—an indication perhaps that they better the national average for recolution should be a supplied to the state of trial.

age for resolution short of trial!

Over 50 per cent of the court's business-involved shipping disputes of one sort or another and, according to the Civil Justice Review, some 64 per cent of the plaintiffs in these cases are fereign.

Thus, it appears that the Commercial Court and those who practise in it are providing an unparalleled service to the international business community and, in doing so, are reinforcing London's status as a major international centre of commerce.

A number of factors — the quite recent right for lawyers to publicise their services, "Big Bang" and the subsequent flurry of corporate activity — has led to a trend towards mergers and acquisitions among solicitors which might be interpreted as signalling the onset of "one stop shopping."

Notwithstanding the emer-

Notwithstanding the emergence of "mega" firms in the corporate field, it is not they who dominate the scene when it comes to Commercial Court work. The specialist field of international commercial litigation is clearly not a matter for the general practitioner but, rather, for the specialist litigators who are familiar with Commercial Court practice and who have detailed knowledge and experience of the client's operations.

While the 1990s will inevitably present fresh challenges, the specialist practices, variously described as "niche" operators or "boutique" practices, need have no doubt about their ability to compete with the big battalions.

Commercial Court judg-

Commercial Court judgments, of course, represent only part of the overall picture and the work of leading specialist solicitors' firms will extend beyond Commercial Court practice. Often, marine and commodity disputes will be referred to arbitration and only a minority of these will come to the attention of the Commercial Court following application for leave to appeal.

Perhaps most challenging, and sadly all too common of late, are requests to advise in respect of international casualties, mainly marine and aviation. The specialists involved, on both sides, may well achieve the result whereby litigation is avoided altogether or, if commenced, that it be resolved short of coming to

Most significant, however, is the fact that such major considerations are referred to London in the first place: it is a demonstration of the respect in which the international business community holds the corpus of commercial law, developed and practised by the small band of judges, barristers and solicitors in the Commercial Court.

The writer is a partner in City solicitors Ince & Co.



Lord Donaldson, Master of the Rolls (above), whose comments at the Sar Conference on solicitors' rights of audience in the higher courts seemed to reopen wounds that Lord Mackay, the Lord Chancellor (below) wishes to heal



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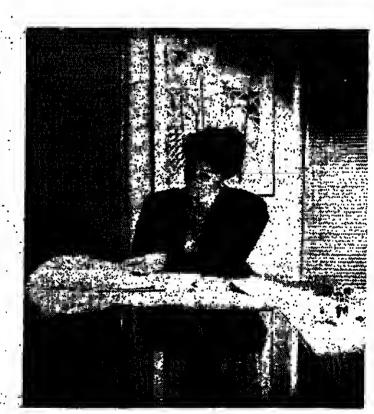
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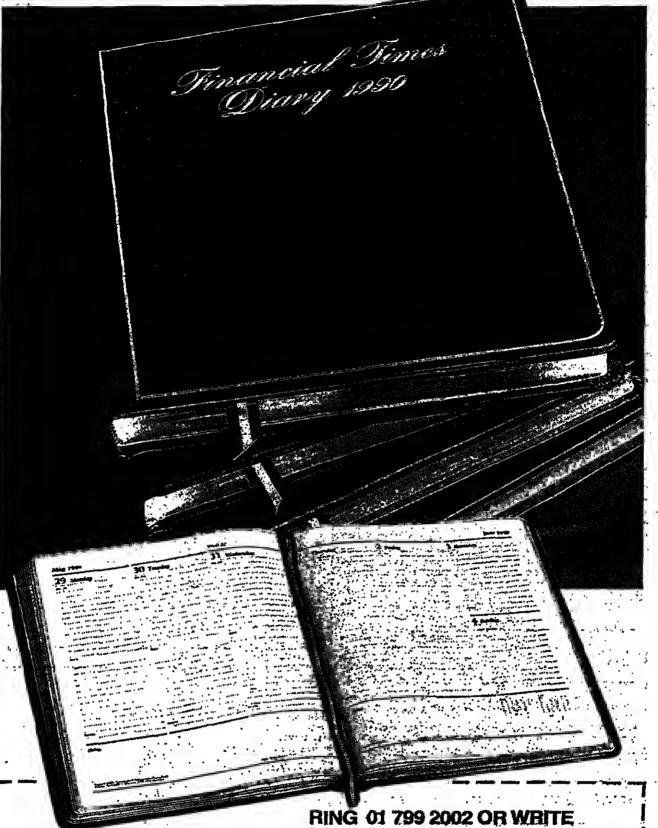
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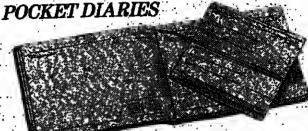
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Big test for market reform



The financial world's latest contribution to obscure jargon is circuit breakers. Basically a means of calming tast-falling markets through a halt in trading, they were among the more visible aspects of reform in the wake of the 1987 stock market crash. Katharine Campbell reports on how the system introduced somewhat unwillingly by a group of beleaguered US secunities and derivatives exchanges fared in its first big test a few days ago. Page 25

Forging ahead

Mr Yves Paternot has nailed his colours to the mast. He aims to create one of the world's largest services groups from the marger of the temporary employment agency Adia and Mr.... Werner Rey's inspectorate company. And the managing director-designate of the merged group intends to depart from traditional Swiss corporate practices in doing it. William Dull-force reports. Page 20

Melancholy man at sea



"In Madrid I am a traltor. in London i am a ... spy. In fact, i am a melancholy man," says Mr Manuel Marin (left) with only a trace of self-de-. precating humour. Son of a Castile judge, a law-yer by academic training and secretary of state for Relations with the European Communities during Spain's acces-sion negotiations, he now finds himself in

choppy waters over his plan for European Community fishermen to sail out to see accompanied by electronic "spies in the cabin". Tim Dickson and Bridget Bloom look at the man behind the proposal designed to halt the ever-increasing depletion of the Community's fish stocks. Page 34

Pearl comes out of its shell



Pearl Group, the UK life assurance company which is facing a £1.1bn hostile bid from Austraiia's largest life com-pany, Australian Mutual Provident, yesterday

stressed its performance as an investment in urging shareholders to reject AMP's "wholly unacceptable" offer. In its defence document posted to shareholders yes-terday. Pearl claims that it has provided *outstanding returns to shareholders" and that it is being innovative within the changing UK life Insurance market. Page 26

Market Statistics

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Hays issue is an 8% flop

THE Hays' share issue, the higgest flotation of a non-public sector company in recent years and one which had been seen as and one which had been seen as an important test of investors' appetite for such paper, has turned out an undoubted flop.

Only 8 per cent of the shares available in the £166m (\$249m) new issue for the UK business services group were taken up as British investors shunned the offer for sale amid this meet's offer for sale amid this week's stock market turmoil.

stock market turmoil.

By yesterday morning's deadline, applications had been received for just 13.7m of the 169.2m shares on offer in the £393m flotation.

Mr Gerry Grimstone, the director of J Henry Schroder Wagg, the merchant bank advising on this flotation and the advisers to the UK Government for the forthcoming flotation of the public water companies, said yesterday, he did not expect the Hays result water companies, said yesterday he did not expect the Hays result to have an adverse impact on the

water issues.

Early last week, only days ahead of the recent sharp falls in

starts to

buy back

its shares

BAT INDUSTRIES ordered its stockbrokers into the market yes-

terday to start buying its shares,

after an extraordinary general meeting of its shareholders approved the buy-back pro-gramme and one of the largest corporate restructuring schemes ever proposed by a British com-

By mid-afternoon 2.5m BAT

By Nikki Tait in London

BAT

world financial markets, a price of 105p was set on the shares being sold.

Mr Ronnie Frost, Hays' chairman, said yesterday it was "obviously unfortunate" that movements in the market should have affected the floation. But, he added: "The board remains confiadded: "The board remains confident of the value of its business and that this will he recognised by the market."

Before the nervousness in the UK stock market intensified early this month. Mr Frost had said he was hoping to sell the shares at a price of as much as

1400 each.
Virtually all of the big group of investing institutions which undertook to subscribe for Hays' shares during last week's sub-un-derwriting of the issue refrained from applying for more.
Some 4,000 members of the public, together with employees of the company, accounted for all of the applications.

Hays and its investors and underwriters now face a nervous week ahead of the start of stock

market dealings next Thursday as they wait to see whether the shares begin trading above or below the issue price.

Followers of the flotation said the outcome, in the main arising from market sentiment, was likely to have been affected by other factors as well.

other factors as well.
But it was pointed out that in spite of what was described as a lower than planned share price, the issue was seen in the market as keenly priced even last week.

This meant investors could see little prospect of an attractive premium at the start of dealings. Additionally, increasing con-cerns about a downturn in the UR economy may have affected attitudes to Hays' overwhelm-ingly domestic earnings, and in particular its involvement in certain businesses such as chemical distribution and staff recruit-

ment.

Mr Grimstone said the outcome cast light on the London sub-underwriting system for large offers. "The sub-underwriting institutions totalled in excess of

200. That did not leave many others to take up the shares once they had decided they did not

want to increase their risk on the issue price," he said.

Meanwhile, today marks the close of the UK offer for sale for Euro Disneyland, the operating company for the US leisure group's planned French thema park. It is expected to have met strong demand.

strong demand.

Two more UK rights issues have been spurned by investors, with fewer than 20 per cent of shares on offer being taken up at Wace Group, a pre-press services company, and Acsis Group, a marketing concern.

However, nearly 97 per cent of Polly Peck International's £283m rights offer was taken up. The success of the trading group's offer reflected a sharp rise in its share price after the rights issue was announced because of market acclaim for its \$875m pur-chase of Del Monte's global fresh fruit business.

Lex, Page 18; Rights issue details, Page 29

BAT chairman Patrick Sheehy speaking at yesterday's meeting of shareholders

shares had been acquired at 785p.
These shares will be cancelled.
BAT says it will go on buying today, subject to price and availability of shares — but will then call a halt until after the third Patrick Sheehy, chairman of the conglomerate, responded to one shareholder's query about the proxy position. "I have 560m job," said one shareholder to an shares in favour," he declared, pausing to let the numbers sink heavy appliause. quarter results have been released on November 22. Yesterday, in the wake of the buy-in, BAT shares rose 27p to 783p.

BAT's shareholders over-whelmingly supported the tobacin, "and 160,000 against."

co-based conglomerate's plans to sions to two, via a series of big asset sales and disposals. The restructuring proposal had been put forward in response to the £13.5bn (\$21.3bn) takeover bid - Mr Jacob Rothschild, Mr Kerry Packer or Sir James himself were present at the meeting, held at British American Tobacco headquarters on London's Mill-bank. Hoylake had already made threat from Sir James Goldclear that it would vote its own smith's Hoylake consortium. 1.25 per cent stake in favour of The two motions were passed the BAT scheme.

on a show of hands at the packed Yesterday's meeting was the small shareholders day, and they meeting. A solitary voting card was waved in opposition.

It was with some relish that Mr . had plenty to say after the BAT

heavy applause. But another shareholder

asked to take the value of RAT's proposals on trust, and wanted to know Mr Sheehy's advice if Hoy-lake did, indeed, come back with a new cash bid. One German investor also called for the disposal of the US insurance interests on the grounds that they were effectively a bid-deterrent, and hence depressed the value of the group's shares.

While Sir James was absent there was no restraining his distant cousin, Mr Antonio Von Marx, who has been suggesting that shareholders should call an egm to fully demerge BAT's interests. Mr Sheehy was having no truck with dissidents. "This is the last question I'll take from you," he remarked tartly, when Mr Von Marx rose for a second

But all in all, the egm took barely an hour and, counting in the shares voted in the meeting, BAT reckoned that more than 40 per cent of its shares had been voted in favour of the scheme. Now, the spotlight moves back to Hoylake and the US regulators.

Strong recovery continues at **Bank America**

BANKAMERICA, the San Francisco hanking groop that almost failed in the mid-1980s, yesterday reported strong growth in earnings in the third quarter. This was thanks to booming interest income and strikingly

interest income and strikingly low domestic credit losses.

The company, which is going through the biggest recovery in US banking history, said net income, at \$254m or \$1.16 a share, in the third quarter was 34 per cent higher than in the September quarter of 1988.

The strong third quarter

The strong third quarter brought earnings at the nine-month stage to \$333m, up 81 per cent on the first nine months of

Earnings per share were up 70 per cent at \$4.07.

The results, which were struck before the chaos cansed by the San Francisco earthquake this week, return the bank to levels of profitability and capital strength it has not enjoyed for years. It earned 1.14 per cent on its assets and 22 per cent on its equity in the quarter.

BankAmerica's shareholders' equity amounted to 5.33 per cent of its total assets on September

Mr A. W. Clausen, chairman of the bank, said: "The quarter's results reflect continued strong performance in the fundamental areas of our business, particularly in consumer and residential mortgage loans. Net credit losses were low during the quarter, capital and reserve levels increased, and expenses continued to be effectively controlled."

The key to the performance was the success of intense loan marketing, with loans up 8 per cent in the quarter on an annual

Nst interest margin, the difference between the rate on loans and the cost of the money to fund them, widened sharply from 3.91 per cent to 4.52 per cent. Even so the rate of credit losses, declined from \$38m in the third quarter of

1988 to just \$24m.

BankAmerica's main problem, like many other old-line US money-centre banks, is a pile of bad loans to Third World governments. On September 30, non-accrual assets, that is loans not collecting interest were \$4.07km lecting interest, were \$4.07bn. down from \$4.61bn in September 1988. Within that total, domestic bad dehts fell sharply from

Lonrho buys 15% of French trader

By William Dawkins in Paris and Clay Harris in London

PARIBAS, the French investment bank, and Lonrho, the UK-based international trading group, yesberday led a FFr1bn (\$160m) capital injection for Scoa, the loss-making French trading company. Lonrho is buying half of Paribas' 30 per cent stake in Scoa, which at the same time announced a FFr720m rights issue plus a FFr270m issue of

convertible warrants. Paribas has been looking for some time for a partner for its controlling stake. It welcomed Lonrho because its activities complemented Scoa's.

Scoa employs 10,400 people and holds direct and indirect control over more than 100 businesses in Africa, which accounts for one third of turnover; the Far East; Australia; the US and Europe, with combined 1987 sales of Fr11.7bn.

The deal accompanies a heavy restructuring programme. Scoa will end its fishing activities in the Ivory Coast and its bicycle sales operation in the US. The price Lonrho paid for its

stake in Scoa was not disclosed. Scoa's pre-rights market valoe was Fracom, suggesting that a 15 per cent holding would be worth Fr130.3m.

The cootrolling 30 per cent stake has been transferred to Holding Franco Britannique, a new 50-50 venture between Paribas and Lonrho. HFB will take up at least its 30 per cent pro-portion of the rights issue, but will be seeking to buy additional shares if possible. It has Bourse approval to go as

high as the 72 per cent level which would be reached if no other shareholders took up their rights. That is unlikely since the three-for-two issoe is priced at FFr36 compared with Scoa's market price of FFr63.

Lonrho said the link with Scoa had the potential to become as important as its trading joint venture with West Germany's

Scoa controls CPU Computers, a UK computer peripherals dis-tributor traded on London's Unlisted Securities Market.

Murdoch invests in finance firm

By David Lascelles, Banking Editor, in London

MR Rupert Murdoch, well-known tion," he proclaimed. for his complaints about the ser-vice he gets from merchant bankers, is to put part of his considerable personal fortune where his mouth is.

In suitable pin-striped attire, the media magnate emerged at a City of London launch yesterday as one of the backers of a new firm, Marriott Moore, which is being set up as "a personal friend" to advise entrepreneurs, particularly Anstralians who want to spread their wine. want to spread their wings abroad People in fact, just like Mr Murdoch himself Indeed, Mr Murdoch's private family holding company will also be one of its first clients.

\$1.25m (\$1.97m) to get the firm going. "I liked the idea of a per-sonal friend — a discreet, private, service-driven financial opera"We use a lot of merchant banking services, but a lot of it is deal-driven. Merchant bankers have many skills, but they use them to help you do a deal, not to advise you on whether you should actually do a deal."

The merchant banking cachet for the new enterprise is being provided by Mr Rupert Hambro, scion of the City merchant banking dynasty who broke away from the family bank three years ago to set up his own business, J.O. Hambro Magan. Other backers are Mr Garner

Anthony, chairman and chief executive of Cox Enterprises, the US media group; Mr Ian Beaurepaire, director of Pacific Dunlop, and Messrs Ken and Baillien Myer, respectively director and denuity chairman of Colos Myer. Along with five other leading lights in the business world, all "hand-picked", he is subscribing deputy chairman of Coles Myer, the Australian retailer.

The impetus for the project came from Ms Patrice Marriott,

an Australian corporate lawyer, formerly with Elders IXL. She, along with Mr Patrick Moore, who used to be a corporate finance director at Elders, will be the new firm's principals.

Ms Marriott claimed that the

substantial capital which her firm had raised — much more than its immediate needs, and locked in for five years — would enable it to stand back and resist pressure to do deals to pay the rent. She sees opportunities for her clients in Europe, the US and, increasingly, the Soviet bloc. Marsiott Moore is the latest of

a string of boutiques — though they all avoid the word — which have been set up in London as a reaction to the strong concentration of corporate finance in large financial conglomerates at the time of the Big Bang two years ago. All highly specialised, they trade on the fact that they have

If you're busy planning for the 1990s, don't.

That's the advice of Peter Drucker, in The Economist today.

Because tomorrow's world is already-with us.

And as companies 'unbundle' and new alliances are formed, don't look for answers in management texts either.

Study instead Churchill on the first Duke of Marlborough. Or the Scots biologist, D'Arcy Wentworth Thompson.

And if that advice isn't confusing enough, The Economist also looks at the crash that wasn't.

Or was it?

The Economist

Coloroll revises disposal plan

COLOROLL, tha UK home furnishings group, has abandoned plans for a complete disposal of its carpet distribution subsidiary and decided instead to retain a 29.9 per cent stake in a deal which underlines the more than the more properties of the conditions for ing leven. deal which underlines the more difficult conditions facing leveraged buy-outs in the sector.

As a result, the partial sale of Coloroll's MCD Group subsidiary raises much less, initially, than Coloroll had hoped.

To finance the transaction, financial backers led by CIN Venture Managers, the venture cani-

ture Managers, the venture capi-tal arm of British Coal and Brit-ish Rail pension funds, will pay an initial £39.5m (\$59.2m) in cash and issue a £3.5m note payable in March 1994.

Taking into account a one-off 18.8m cash dividend paid to the seller, the deal initially values MCD at just over £70m, compared with the £80m.£100m range which Coloroll predicted in August after

for 290m failed to proceed. However, if MCD meets certain profit targets for the two years to March 1991, Coloroll will receive up to £17m more, putting a value of £94.4m on the business.

a proposed management buy-out

Mr Eric Kilby, deputy chairman and group finance director, said yesterday thet Coloroli had turned down the management's earlier offer for the whole busi-ness because it helieved there might be difficulty in raising finance.

He said there was more value in the present deal, especially through the retention of the 29.9 per cent stake. The sale would be the control of the sale would be the sale wou reduce Coloroll's indebtedness, the target being to cut gearing to about 55 per cent by March 31. Mr John Brown, deputy managing director of CIN, said the "geared institutional purchase"

comprised £16m equity fully

underwritten by CIN, £14.5m of

nine finance underwritten by Intermediate Capital Group and

and current performance. It's a profitable company."

In the 15 months to March 31, MCD had sales of £115m and earned pre-tax profits, before exceptional items, of £10.3m. Net assets at that date were £28.5m. Mr Graham Motteram, MCD

senior debt and £15m of mezza

Samuel Montagu.

MCD's management would initially have 7 per cent of the equity with the opportunity to raise their stake to 10 per cent over five years, according to per-

The profit targets which will determine whether the extra £17m is paid have not been disclosed. Mr Kilby said: "They are not unrealistic in relation to past

managing director, was confident that the projections could be met At the moment, the company was

INTERNATIONAL COMPANIES AND FINANCE

CGS seeks to raise FFr10bn for expansion

By George Graham in Paris

MR SERGE Kampf, founder and controlling shareholder of Cap Gemini Sogeti (CGS), has unveiled plans for raising a FFr10bn (\$1.59bn) war chest and turning his company, already Europe's largest computer services group, into a world leader.

The plans involve reorganising the shareholding structures of CGS and of Sogeti, the holding company which owns 51 per cent of its capital and of which Mr Kampt himself owns 51 per cent.

By the creation of a third tier holding company, to be named SKIP, Mr Kampi will be able to dilute his holdings in Sogeti and in CGS without losing control of the group.
"We had the problem that
the slightest capital increase

risked diluting my holding. The situation was completely blocked," Mr Kampf said yesterday. Mr Kampf said that the

plans had been agreed to by CGIP, the holding company of the Wendel family which is the other main shareholder in both Sogeti and CGS, and which will take 49 per cent of the new

This will allow Sogeti to raise up to FFr2bn of fresh equity without Mr Kampf los-ing control. Since Mr Kampf will also transfer some of the shares he holds directly in CGS to Sogeti, CGS could in turn raise up to FFr2.8bn more in new equity without Sogeti losing control.

On top of this, Mr Kampf estimated that the group could borrow at least as much as it raised in equity, parting around FF110hn at its disposal for interestments and desposal for investments and, espe-

cially, acquisitions. CGS has over the last five years increased its turnover at the rate of 26 per cent a year and its net profits at the rate of

33 per cent a year.
It has carried out a steady stream of acquisitions mostly of small, privately owned com-puter service companies, but Mr Kampf said the group wanted to be ready to take opportunities for larger acqui-

"We wanted to show you that we have the means to carry out our ambitions," he Mr Michel Jalabert, develop-ment director of CGS, said that

the computer services market was changing rapidly. "We believe the services market will soon be signifi-cantly different. If we want to be leader, we have no choice, we must reach a larger dimen

Metallgesellschaft takes stake in Spanish broker

MET ALLGESELLSCHAFT, the hig t.Vest German metals con-glome.tate, has taken a 25 per cent stake in one of Spain's newly formed stockbroking companies, Bravo y Garayalde.

The price of deal was not disclosed, but Mr Heinz Schimmelbusch, Metallgesellschaft's chief executive, said yesterday it was unlikely his group

would lift its shareholding. Last July, Spain's individual brokers were forced to set up licensed broking companies as part of an effort to modernise the Spanish capital markets. Foreign investors are allowed to hold 30 per cent now and up to 100 per cent after 1992. "We are now linked clearly

and that is all we want," said Mr Schimmelbusch. He also said the new alliance would be used to manage the possible flotation of one or more of its seven Spanish pro-duction facilities, which range

from zinc mining to motor

Metallgesellschaft's operations in trading, engineer ing and manufacturing in Spain have a turnover of more than DM1bn (\$540m) a year, he

Olivetti launches computer range

By Alan Cane in Brusseis

OLIVETTI, the Italian manufacturer of computers and office equipment, yester-day reaffirmed its claim to leadership of the European small computer industry with the launch of a family of high performance machines based on the world's most powerful microprocessor chips, the Intel 1486 and 1860.

The new computers, designed in Olivetti's US tech-

nology centre in Cupertino, California, bridge the gap between small personal com-puters, high powered work stations for engineers, and minicomputers of the kind used in business

They are expected to restore the Italian company's reputaputer design after several dis-

appointing years.
Mr Vittorio Cassoni, Olivetti
Group managing director, said
after the launch that the new
computers, the CP 486 family,
were critical to Olivetti's were critical to Olivetti's future: "They will sustain in a very significant manner our growth next year," he said.

Last month, Olivetti reported a fall in profits for the first half of the year, the

result of a combination of technological and commercial trends which is changing the fundamental structure of the

industry.

Most computer companies had been reporting similarly disappointing figures.

The new machines, Mr Cassonl said, are designed to exploit these trends and secure Olivatit's commeditive position.

Olivetti's competitive position.
They are based on a controversial new design, called Extended Industry Standard Architecture (EISA) which a number of major manufacture. ers are supporting. In direct competition with International Business Machines (IBM) the

world's leader in computer

systems. It favours its own

design called Micro Channel Architecture (MCA), Olivetti is claiming to be the first manufacturer to launch machines featuring both the 1486 and EISA.

Olivetti's nsw machines, which it calls "Computing Platforms" cost between \$16,250 and \$18,500.

Adia makes light work of expansion plans

William Dullforce on a Swiss scheme to create one of the world's biggest service groups

r Yves Paternot, the managing director designate of Adia, has nailed his colours to the mast. He aims to create one of the world's largest services groups from the merger of the tempo-rary employment agency of the same name and Mr Werner Rey's Inspectorate, the quality control and security services company. And he intends to depart from traditional Swiss corporate practices in doing it.

After the exchange of shares

and the capital increase, which should be approved by share-holders of the two companies at the end of next month, Mr Paternot will have at least SFr1bn (\$600m) available to start his expansion.

Moreover, Adia is navigating on a new course for Swiss companies, having renounced its right to include on its register – and thereby allow to vote – only those shareholdings it

deems fit.
Adia will issue only one category of bearer share with vot-ing rights, freely available to foreign investors. Nestlé put a cap of 3 per cent of total stock on individual shareholdings, when it opened its registered shares to foreign investors last

In contrast, Adia will depend on its share price and performance for defence against takeover bids.

Mr Rey, who held 53 per cent of the voting rights in Inspec-torate at the beginning of the year, will control only 25 per cent of Adia. The management group which owned 40 per cent



Werner Rey: reputation for slick financial deals

of the votes in the old Adia, will have 11 per cent in the

merged group.
At last week's stock exchange price Adia's market capitalisation works out at around SFr3.8bn, of which SFr8bn is for the bearer shares. The difference is made up of non-voting participation certifi-cates, no more of which will be

Casting overboard the tradi-tional Swiss barrier to take-overs leaves Mr Paternot unperturbed. Companies

unperturbed. Companies obsessed with keeping control are too rigid and have difficulty expanding, he argues. "Our best protection is the share price. As long as the multiple is high, we shall not tempt buyers," he says. On Adia's projected 1989 profit, the current price/earnings ratio is just under 16 for the existing just under 16 for the existing Adia stock and higher for

sees it, the five-man manage-ment group controlling the present Adia took a fundamen-tal decision when going for the

merger with inspectorate.

Instead of holding out for control they opted for corporate growth at the cost of diluting their own interests. But, he hastily adds, their primary financial focus will be on net

earnings per share.

Analysis have generally welcomed the Rey-Paternot partnership as injecting a gust of fresh air into the Swiss corporate world. Their differences are seen as complementary.

Mr Rey is the outsider with a

reputation for slick financial deals who began to win acceptance by the establishment after playing a crucial part in resolving the takeover battle. for Sulzer Brothers, Switzer-land's third biggest engineer-

ing concern.

Mr Paternot's background is establishment, the grandson of a former managing director: and son of a director of Nestle, a graduate in engineering from the University of Lausanne capped by an MBA from the Harvard Business School.

He built up a reputation as a brilliant manager with Adia, contributing largely to its establishment in the US and Japan which helped it to reach second place behind Blue Arrow/Manpower in the world temporary employment business. Mr Rey clearly pins his hopes for the merged Adia on Mr Paternot's managerial

Inspectorate. As Mr Paternot skills. The pre-merger Adia achieved 1988 net earnings of SF195.5m while Inspectorate reported SFr109m.

Projected group turnover for 1989 is SFr5.6bn to SFr5.8bn with net profits, deducting merger expenses, expected to fall within the SF1246m to SF1255m bracket.

By the end of 1990 the new Adia may have changed shape. Inspectorate's computer leasing business, divided between the US and Europe, will account for SFr1.8bn to SFr1.9bn at 1989 turnover.

The US business is not for sale but Wasserstein Perella's London office is currently evaluating plans for Meridian International, its European operation. This could be sold or attached to a pariner, a bank or insurance company, which could help with the

funding.

After a couple of difficult years while it was being integrated, the European operation has returned to the black and Mr Paternot seems to be in no hurry to decide on its fate. It could be worth more in a sale or joint venture, if the 1989-results confirm the profit

Harpener, Inspectorate's West German property com-pany, has already been sold to Mr Rey's Omni group in a deal which generated more than SF1600m in cash and SF1215m in convertible bonds. Part is being used to run down

The core businesses left, where Mr Paternot will be looking for his growth, are the

employment agency (with some SFrihn in revenue), secu-rity services (SFrinam), inspection services (SF1290m) and engineering consultancy (SF100m). (SFr100m).

eographically, expan-sion will probably be concentrated in areas where Adia is already strong Europe (some 60 per cent of group tarnover) and North

group tarnover) and North America (over one third) but Mr Paternot also has his eye on the Fat East.

"Immediate" opportunities for both acquisitions and internal growth are seen in temporary amployment. In inspection and testing Mr Paternot has already prined off shipping already prined off shipping and travel agencies and bought a Florida soil contamination testing company. He sees prospects in construction testing

and energy controls.

Growth by acquisition in Adia's employment agency has been pragmatic and incremental, companies bought mostly having annual turnovers of SFr50m or less. The new Adia is likely to stick to this

Mr Paternot would like to see the group expand slightly faster than the rate of growth in its underlying markets
Thus, if personnel services
grow by 10-15 per cent in a
year, Adia would look for 12
per cent to 17 per cent turnover growth.

For 1989 group net earnings per share are projected to be between SFr133 and SFr141. The starting line has been drawn.

BNL to raise capital

By John Wyles in Rome

THE BOARD of Italy's Banca Nazionale del Lavoro (BNL) yesterday took its first step towards financial reconstruction after the scandal over \$3bn of upanthorised loan cred-its to Iraq, by agreeing to moves to raise another 12,000bn (\$1.4bn) of fresh capi-

The capital increases - to be formally approved by share-holders on December 13 - will be supplied by INA and INPs, respectively Italy's state owned insurance company and pension fund,

Each will out in L400bn as

direct capital while INA will also provide a seven-year L1,200bn subordinated loan, at an interest rate which will be fixed at 0.0725 per cent above an index based on a basket of government bonds. The debenture will be considered as capital for supervisory purposes, although it will not be convert-ible into equity.

The recapitalisation will

reduce the Treasury's stake in BNL from 74.5 per cent to 58.6 per cent. INA's stake rises from 12 per cent to 20 per cent and INPs from 8.4 per cent to around 17.2 per cent.

UBS improves in third quarter

By William Dullforce

UNION Bank of Switzerland UNION Bank of Switzerland said yesterday, without giving figures, that its third quarter results had showed a strong improvement over last year's. Positive trends had continued in the commission and trading sectors with 1988 figures being substantially exceeded in some casts.

Total assets increased by SRT1.5bn (\$925m)

SFr1.5bn (\$925m) to SFr173.6bm during the quarter. Last year it posted consoli-dated earnings of SFr778m

Ciba-Geigy extends bid

By William Dulforce

CIBA-GEIGY, the big Swiss. chemicals and drugs group, has extended until October 27 its C\$764m (US\$652m) bid for Connaught Bio-Sciences, the Canadian vaccines producer, following the difficulties the C\$942m offer from France's Institut Merieux has run into with the Canadian authorities.

The Swiss company announced on October 4 that it had decided not to submit a counter-bid to the C\$37 a share offered by the French biotechnology company. However, Mr Hans Fankhau-

said yesterday that it had been decided to keep its C\$30 a share offer, made in partnership with Chiron of California, on the table, while discussion on the viability of the Mérieux bid continued in Canada.

According to reports from According to reports from Toronto Mr Harvey André, the Canadian Science and Technology Minister, had decided on the basis of a report from the Investment Canada Agency the Mérieux offer did not represent any advantage for Canada, Merieux, a subsidiary of Rhône-Poulenc, has 30 days in

ser, Ciba Geigy's spokesman,

which to amend its offer.

All these securities having been sold, this announcement appears as a matter of record only.

OCTOBER, 1989



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Yasuda Trust Europe Limited





Western Deep Levels

Abridged quarterly and interim reports – Dividend declarations



Freegold

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. Securit

sed Capital in shares of 50 cents each: 116 179 121 ordinary and

The following are the results of the company and its wholly-owned The following are the results of the company and its whony-owned operating subsidiary, Free State Consolidated Gold Mines (Operations) Limited.

			Sex
		Quarter	months
	ended		ended
	Sept. 1989	June 1989	Sept. 1989
Gold			
Area mined - m ² 000	1 013		1 994
Tons milled 000	6.573		
YIELD 0/1	4.21	4.10	4.15
Production - kg			. 54414
Cost - R/kg produced	26 413	25 265	25 848
Price received on gold sales		·	
R/kg	32 393	32 072	32 215
Metallurgical Scheme			0.700
Simes treated - tons 000	4 393		8 583
Uranium oxide produced kg			220 557
Gold produced – kg	603	. 600	1 203
Acid produced - tons	106 008	106 401	.212 409
	R million	R million	R inillion
Turnover	928.9	: 898.2	1 827.1
Profit before taxation	198.0	203.4	401.4
Provision for taxation	25.9	22.5	48.4
Profit after toxation		180.9	353.0
	172.1	19073	. 333.0
Appropriation for capital	200 15	07.0	176.5
expenditure after loan finance	79.5	97.0	
Profit available	92.6	83.9	176.5
Interim Dividend			175.6
Increase in retained profit			0.9
Earnings per share - ceitis	770	72	151
Earnings per share - ceus	79	106.6	189.1
Capital expenditure – R million	ممه	100.0	10301
Note:			12
Orders placed and outstanding	on : capita	d. contrac	ts as at
September 30 1989 totalled R79.7 mi	III.		

Issued Capital in shares of 20 cents each: 96 619 825 ordinary and 208 048 S ordinary shares

			Nine
	Quarter	Quarter	months
and the second s	ended	ended	ended
	Sept. 1989	June 1989	Sept. 1989
Area mined - m² 000	92	84	266
Tons milled 000		452	T396
Yield - g/t Production - kg	6.76	6.47	
Production - kg	3 344	2 926	9 264
Cost - R/kg produced	20 376		
Price received on gold sales - R/kg.	32 536	31 945	31 939
	. R000	R000	R000
Turnover	167 220	95 153	295 915
	-	36 206	113 651
Profit before taxation	39 804 850		2 538
Profit after taxation	38 954	. 35 510	111 118
Appropriation for capital			
espenditure	22 684		
Profit available	16 270	· 19 591	50 199
Interim dividend of 40 cents per share paid on September 15 1989		•	38 731
			· .
Increase in retained profit			<u>11 468</u>
Farnings per share - cents			
- before appropriation for capital	-	100	** ;
expenditure	40	37	115
- after appropriation for capital expenditure			_
	17	20	52
Capital expenditure - R000	28 899	32 717	83 927

Capital expenditure includes an amount of R6 215 000 in respect
of the accelerated development programme. This expenditure is
being financed, in the short term, from internal sources and

borrowings and not from profits.

2. Orders placed and outstanding on capital contracts as at September 30 1989 totalled R16 121 000.

Ergo

Issued Capital in shares of 50 cents	each: 42 0	78 712 ordi	inary and
3 440 384 S ordinary shares			Six
	Quarter	Quarter	months
	ended	ended	ended
	Sept. 1989	lune 1989 S	Sept. 1989
Material treated tous 000			18 073
Gold production - kg	2 881	2884	5 765
Uranium production – kg	36 299	47.732	84 031
Acid production - tons	95 408	135 871	231 279
Price received on gold sales – R/kg.	32 347	31 903	32 078
	R000	' R000	R000
Turnover	105 084	105 146	210 230
Profit before taxation	22 131	27 374	49 505
Ergo division	14 036	19 862	33 898
Daggafortein division	7 494	6 778	14 272
Simmergo division	601	734	1 335
Provision for taxation	2 005	7 491	9 496
Profit after taxation	20 126	19 883	40 009
Appropriation for capital expenditure	9 702	8 176	17 878
-			
Profit available	10 424	11 707	22 131
Interim dividend			22 760
Decrease in retained profit			629
Earnings per share - cents	23	. 26	49
Capital emperditure _ PGM	9 112	7 844	16 956

I. Both material treated and gold production for the quarter were

S.A. Land

Issued Capital in shares of 35 cents each: 9 182 700 ordinary and

66 635 S ordinary shares			Nine
	Quarter	Quarter	months
	ended	ended	
the second second	Sept. 1989	June-1989	Sept-1989
Tons milled 000	658	672	1 991
Yield - g/t	0.52	. 0,51	0.54
Production - kg	· 343	346	1 070
Production, transport and			
screening costs - R/kg produced		24 147	
Price received on gold sales - R/kg.	32 357	32 047	31 901
	R000	R000	R000
Turnover	11 125	11 154	34 231
Profit before taxation	1 404	1 606	5344
Provision for taxation		605	2 186
Profit after texation	967	1 001	3 158
Appropriation for capital			
_expenditure	22	(72	(31)
Profit available	945	1 073	3 189
		-	
Interim dividend of 25 cents per			
share paid on September 15 1989			2312
Increase in retained profit			877
		••	34
Earnings per share - cents	. 10 . 22	11 59	
Cepital expenditure - R000	. 44	39	100

Notes:

1. The major supplier of dump material to the Company has given notice that material from this source will cease to be available after December S1 1989. If ongoing efforts to secure elternative supplies are not successful the remaining reserves will enable operations to be continued for only approximately two and a half years at current gold prices. Attention is directed to the separate announcement published today in this regard.

There were no orders placed or outstanding on capital contracts as at September 30 1989.

Western Deep Levels

Issued Capital in shares of R2 each: 27 194 115 ordinary and 209 542 S ordinary shares

			1480
	Quarter	Quarter	months
•	ended	ended	
	Sept. 1989	June 1989	Sept. 1989
Area mined - m2 000	234	236	
Tons milled 000	1 688	1 666	
Yield - g/t	6.31	6.35	
Production – kg	10 652		
Cost - R/kg produced	19 604		
Price received on gold sales - R/kg.	. 32 335	32 068	31 940
	R million	R million	R million
Tornover	344.5	342.2	988.0
Profit before taxation	143.3	144.7	403.2
Provision for taxation		38.9	99.8
Profit after taxation	109.1	105.8	303.4
Appropriation for capital			
expenditure	71.6	65.9	194.1
Profit available		. 39.9	109.3
interim dividend of 260 cents per			
share paid on September 15-1989			71.3
Increase in retained profit			38.0
Earnings per share—cents		146 70.4	

Orders placed and outstanding on capital contracts as at September 30 1989 totalled R61.9 million.

Vaal Reefs

issued Capital in shares of 50 cents each: 19 000 000 ordinary and 58 649 S ordinary shares

			Nine
	. Quarter		months
	ended	ended	ended
	Sept. 1989	Jone 1989	Sept. 1989
Gold			
. Area mined - m ² 000		515	1 554
Tons milled 000		2 643	8 142
Yield - g/t		6.81	6.93
Production - kg		17 990	56 388
Cost - R/kg produced	20 745	20 218	19 919
Price received on gold sales - R/kg	. 32 411	32 057	31 930
Tons treated 000	2 328	2 298	6 864
Yield - kg/t		0.19	. 0.19
· Production - kg		426 720	1 321 596
	Rmillion	R million	R million
Turnover	657.4	611.6	1 913.2
Profit before taxation	191.6	203.2	604.1
Provision for taxation		30.9	174.7
Appropriation for capital	. 130.3	172.3	429.4
expenditure	63.6	103.2	210.1
Profit available	66.7	69.1	219.3
Interim dividend of 800 cents per			150 5
share paid on September 15 1989	•		152.5
Increase in retained profit			66.8
Earnings per share - cents	. 350	363	1 151

I. The previous quarter's results include a half-yearly dividend from Southwaal Holdings Limited and are therefore not directly

Ofsil

Issued Capital: 22 514 094 ordinary shares of 1 cent each

		ended	ended	ended
		Sept. 30	Sept. 30	Mar. 31
		1989	1988	1989
:			-	(Audited)
		R million	R million	Rmillion
Income from	listed subsidiary			
company	<u></u>	88.1	94.0	258.6
		87.9	94.0	257.9
	taxation	57.5	94.0	_0.1
Profit after ta	zation	87.9	94.0	257.8
Dividends – i	oterim of 390 cents per share (payable on or about			
· -s	December 15 1989) becond interim of 418 cents per share (paid	87.8	-	70.0
-6	on December 9 1988) inal of 416 cents per	_	94.1	94.1
	hare (paid on une 9 1989)	=		93.6
	rease) in retained	0.1	(0.1)	0.1
		-		
Earnings per	share – cents	390	418	1 146

Welkom

Issued Capital: 35 350 937 ordinary sh	ares of 50	cents each	
	Six months ended Sept. 30 1989	months ended Sept. 30 1988	Mar. 31
	R000	R000	R000
become from listed investments	35 881	38 410	105 320
Profit before taxation	35 576	38 212 2	104 734 19
Profit after taxation	35 576	38 210	104 715

Welkom - continued	Six months ended Sept. 30 1989	Six months ended Sept. 30 1988	Mar. 31
	R000	R000	ROOO
	KUUU	ROOU	KDOO
Dividends – interim of 100 cents per share (payable on or about			
December 15 1989) - second interim of 108 cents per share (paid	35 351	_	28 281
on December 9 1988) final of 108 cents per share (paid on	_	38 179	38 179
June 9 1989)	***		38 179
Increase in retained profit	225	31	76

Interim dividends

On Thursday, October 19 1989, interim dividends for the year ending March 31 1990 were declared payable to holders of the following companies' ordinary and S ordinary shares:

Company	Dividend number	Cents per share
Ergo	· 22	50
Freegold	69	150
Ofsil	8	390
Welkom	65	100

Metron	0.5	400
	1989	
Last day to register for dividend for changes of address or divide	s (and _	
justractions lot changes of suchess or drains	Friday, N	ovember 10
Registers closed from to (inclusive)	Saturday	November 11 November 25
(O (monstee)	- Antitiony	1 LACACHACE SO

Ex-dividend on Johannesburg and Monday, November 13 London stock exchanges payments to shareholders paid from Monday, November 13 Thursday, December 14 Dividend warrants posted Payment date of dividends on or about Friday, December 15

Rate of non-resident shareholders' tax

Holders of share warrants to bearer issued by Freegold and Oisil reaction of suare warrants to bearer issued by freegold and Oisil are notified that their dividends are payable on or after Friday, December 15 1989, upon presentation of coupous marked "South Africa" and No. 8 on the side reflecting the share warrant number, at the offices of First National Bank of Southern Africa Limited, Stock Exchange Branch, Diagonal Street, Johannesburg, South Africa; Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zürich, Switzerland, Carlotte M. Nord S. and S. Bankofstrasse 45, 8021 Zürich. Switzerland; Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France; and Banque Bruxelles Lambert, 24 Avenue Marnix, 1050 Brussels, Beigium, only. Coupons must be left at least four clear days for examination.

The full conditions relating to the dividends may be inspected at the Head and London offices of the companies and the transfer

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED per: C.R. Buil October 20 1989

1. Unless otherwise stated all results are unaudited. 2. All companies are incorporated in the Republic of South Africa.

TRANSFER SECRETARIES Consolidated Share Registrars Limited Consolidated sparre regionals statistics theory Edura 40 Commissioner Street Johannesburg 2001 (PO Box 61051, Marshalltown 2107)

Barcleys Registrars Limited 6 Greencoat Place London SWIP 1PL

Johannesburg October 20 1989

HEAD OFFICES 44 Main Street Johannesburg 2001 (PO Box 61587, Marshalitown 2107)

LONDON OFFICES 40 Holborn Vladuct

AT&T jumps 19% in third quarter Earnings

AT&T, the largest US cations. telecommunications group, yesterday announced a 19 per cent increase in third-quarter net profits and a voluntary retirement programme for managers which underlines its much more aggressive approach to costs and product

Third-quarter net profits totalled \$699m or 65 cents a share, up from \$587m or 55 cents last year. Nine-month net income was \$1.99bn or \$1.85, against \$1.67bn or \$1.56.

The group, which holds about 70 per cent of the US long distance market, faces intense competition in this area from rivals MCI Commu-nications and Sprint Communi-

American

Medical

debt deal

By Janet Bush in New York

CHEMICAL BANK yesterday

announced it hed completed syndication of the senior debt

national by IMA Acquisition.

in cash for up to 63m shares of American Medical, equivalent to 86 per cent of the company'e

It will then exchange the remaining shares into 20 per cent of the common stock of a

newly-formed company, IMA

An earlier offer of \$28 a share for 94 per cent of Ameri-can Medical's stock and con-

version of the remaining

23 institutions.

1. Introduction

It has been fighting back with much more aggressive sales tactics, cuts in costs and staff, and has been paying increasing attention to the European market for long term

Uoder its new retirement brogramme, managers who have at least five years of service will have five years added to their age and length of service for pension purposes. This will nearly double to 34,000 the number of employees who are eligible to retire with immediate pension payments. The group employs 127,000 manag-

ers worldwide. The company said the plan, its first retirement "sweet-

ener." was not aimed at reducing a specific number of jobs, but it noted other companies with similar schemes had had about one third of eligible managers retire.

Revenues in the quarter grew 1 per cent, from \$8.81bn to \$8.9bn, with growth in long distance services largely offset by lower equipment sales and rentals. The operating margin was 13 per cent, compared to 11 per cent a year ago.

Sales of services grew 6.4 per cent in the quarter, with call-ing volume growth of 5 per cent. The leading volume gainers were outbound and inbound business services and international calling. However, product sales fell

3.6 per cent, mainly because of lower sales of telecommunica tions network equipment. This was due to slowing demand for network switching equipment, price competition and strikes at some of the regional Bell operating companies.

Wall Street analysts said the retirement programme was a very positive move. Mr George Kelly at Morgan Stanley wei-

comed the margin improve-ment but said the quarter's drop in equipment sales was greater than expected.

He expected 1991 to be the year of really susbtantial growth in earnings as the group reaped the benefit of its network modernisation and network modernisation and

Profits plummet at Caterpillar drop in nine-month profits to

CATERPILLAR, the world's largest producer of earthmov-ing and construction machinery warned yesterday that profits for the year would be lower than last year after a slide in third-quarter earnings.

Net profits for the three months to September 30 plummeted to \$108m or \$1.07 per share, from \$190m or \$1.87 a year earlier. Nine-month profits were \$200m or \$2.87 agricultures. which is partly financing the hoy-ont of troobled hospital group American Medical Interits were \$390m or \$3.85, against \$453m or \$4.46. IMA, a leveraged buy-oot partnership formed by Mr Harrey Gray, Mel Klein & Partners, backed by the wealthy Pritzker family of Chicago, and First Boston, is offering \$26.50

Caterpillar, which also announced a small number of lay-offs, blamed a drop in third quarter sales, from \$2.74bn to \$2.58bn, on having eight fewer business and production days.

The group said: "Fourth quarter profit is expected to be somewhat higher than in the third quarter, but profit for the year will be lower than 1988." It said profits were also affected by higher costs result-ing from increased prices of materials and high start-up and new programme costs, especially for factory modernisation and new product introduction. There was also an \$11m provision for bad debts on Latin America business .

Higher costs were partly offset hy the stronger dollar which helped lower costs at

verseas operations. December to keep proceed the common of the common of

higher wage, benefit and fac-tory modernisation costs and e \$55m decrease in currency exchange gains related to the Brazilian cruzado.

Cateroillar is laying off next month 325 workers at Peoria, Illinois, for an indefinite period because of production cut-backs. This was because of lower demand for truck engines, the completion of e US military contract and lower demand for track-type tractors. Its plant at York, Pennsylvama, will shut for two weeks both next month and in

nber to keep production

Surge at Waste Management

WASTE MANAGEMENT, the biggest US comprehensive waste services company, yesterday posted record thirdquarter earnings as the com-pany continues to prosper from the continuing crisis in garbage disposal.

E

Member of the lorlow Rand Great

shares into a 10 per cent stake in the new holding company fell through because of The Oak Brook, Illinois, comdepressed conditions in the junk bond market. IMA said Chemical Bank and pany reported an 18 per cent increase in net income for the six other banks had to finance quarter to \$151.8m or 66 cents a share from \$79.1m or 57 cents a around \$1.073bn of senior debt and had syndicated the remaining \$509m with another year earlier. Last year's earn-ings incloded an extroardinary after-tax gain of \$11.4m or 5 First Boston remains comcents a share.

RAND MINES

LIMITED

Last day to register for the rights offer and final dividend

It was announced on 4 September 1989 that the directors had

resolved to raise additional share capital for Rand Mines, by way of a rights offer to its registered shareholders (subject to

It is proposed that Rand Mines will undertake a rights offer to

raise approximately R300 million, of which approximately R160

million will be utilised by Rand Mines to take up its rights.

including certain rights renounced to it by Vansa Vanadium S.A. Limited, in terms of a simultaneous rights offer being made

The balance of the proceeds will be utilised to reduce gearing

and to place Rand Mines in a strong position to take advantage of future opportunities, including those which may arise from its

The last date on which shareholders must be registered in

order to participate in the proposed rights offer and to receive final dividend No. 100 for the year ended 30 September 1989 will be the close of business on Friday, 3 November 1989. The

register of members of Rand Mines will be closed from 4 to 12

The new shares to be issued in terms of the rights offer will not

cualify to receive final dividend No. 100 which is expected to

Further announcements in regard to the proposed rights offer and final dividend will be made in due course. A circular regarding the rights offer is expected to be posted to share-

holders of Rand Mines on Friday, 10 November 1989.

London, SWIP IPL

Umted Kingdom registrars and paying agents:

Barclays Registrars Limited

the approval of The Johannesburg Stock Exchange),

2. Last day to register for the rights offer and the

November 1989, inclusive, for these purpose

be declared on 26 October 1989.

3. General

20 October 1989

Registered Office: The Corner House

Johannesburg 2001

RAND MINES Registration No. 01/00658/0

by Barplats Investments Limited.

own exploration programme.

mitted to providing around \$578m in subordinated debt. Revenue was up 26 per cent to \$1.19bn from \$938.2m.

COMPANY NOTICES

For the first nine months, net income advanced 21 per cent to \$409.2m or \$1.79 a share from \$339.5m or \$1.50. Revenues were up 26 per cent to \$3.26bn from \$2.59bn.

Waste Management has grown at break-neck speed in recent years. Annual per-share earnings jumped from \$1.06 in 1986 to \$2.05 in 1988.

The company is one of Wall Street's darlings, with traders expecting it to be one of the chief beneficiarles from the flourishing waste disposal market. The company has also been successful internationally, and recently moved into

(formerly Letkochrysos Limited) (Registration number 86/05067/08) ("Barplats Mines")

2. Vansa's outiflement

20 October 1989

Registered Office: 15th Floor

The Corner House 63 Fox Street

johannesburg 2001

the rights offer by Barplats Investme

Barplats

Last date to register for rights offer

L Purpose of the rights offer

An announcement was published on 5 September 1989 that the directors of Barplats Mines had resolved to raise additional equity capital of approximately R300 million by way of a rights offer to holders of its ordinary shares and compulsorily conventible debentures (subject to the approval of The Johannesburg Stock Exchange). Analysis of the funding required for the further development of the Kennedy's Vale Mine and the acceleration of the proposed expansion of the Crocodile River Mine has shown that, in order to maintain acceptable borrowing ratios, Barplats Mines should raise additional equity capital.

Barplats Investments Limited ("Barplats Investments") holds 72.6

Barplats Investments Limited ("Barplats Investments") holds 72.8 per cent of Barplats Mines, on the basis that conversion of the compulsorily convertible debentures have taken place. It will in turn raise approximately R225 million by way of a rights offer to holdens of its ordinary shares and compulsorily convertible debentures in order to maintain its present interest in Barplats Mines.

Vansa Vanadium S.A. Limited ("Vansa") holds approximately 18 per cent of Barplats investments on a fully diluted basis and will renounce, in layour of its shareholders, its emittement arising from

3. Less date to register for the rights offer.

The record date to determine those holders of ordinary shares and compulsority convertible debenaires of Barplats Mines and of Barplats Investments and ordinary shareholders in Vansa entitled to participate in the proposed rights offers of Barplats Mines and of Barplats Investments will be Friday, 3 November 1989.

The registers of members and debenture holders, where applicable, of Barplats Mines, Barplats Investments and Vansa will be closed from 4 to 12 November 1969, inclusive for these purposes.

Further announcements relating to the proposed rights offers will be published in the press in due course. Circulars contaming full details of the rights offers will be posted to shareholders and holders of compulsorily convertible debentures of Barplats Mines and of Barplats Investments and to shareholders of Vansa on or about 10 November 1933 and will be accompanied by renounceable (mil paid) letters of allocation setting out the entitlements of the persons to whom the circulars are addressed.

United Kingdom registrars

and paying agents: Barclays Registrars Limited 8 Greencoat Place

London, SWIP IPL

BARPLATS MINES LIMITED

Denmark, Spain and Sweden. Waste Management shares jumped \$1% to \$65% yesterday on the New York Stock Exchange not far off the 1989 high of \$65%. Mr Dean Buntrock, chair-

man and chief executive, said each of the company's major businesses reported excellent results. The solid waste subsid-

Chemical Waste Management an 81 per cent owned subsid-iary, reported record third-quarter earnings and revenues thanks to gains in its core services - hazardous waste treatment and disposal.

US defence contractors rise 26% at show disappointing results **American** By Martin Dickson **Express** THREE LEADING US defence

contractors have recorded dis-appointing third-quarter

results.
United Technologies, the US AMERICAN EXPRESS, the aero-engine manufacturer, announced third-quarter net large financial services company, has reported a 26 per income of \$196.7m, against \$190.1m a year earlier. Earnings per share were \$1.46, a slight gain on 1988's \$1.45 when cent increase in earnings from its main businesses thanks to the growing popularity of its famous charge eard outside the US and the success of a new financial information the company benefited from a \$33.3m gain from the sale of essing units. Revenues rose from \$4.5bn to \$4.5bn: Mr Robert Daniell, who has

technology operation.

The New York company said its earnings in the third quarshaken up UTC's management ter to September were \$32m or 77 cents a share. This showed an increase of 21 per structure since he took over as chief executive in 1986, said the quality of the group's earnings was continuing to improve.

Pratt & Whitney, the jet engine maker which accounts for more than half of the cent over 1988 returns.

On a basis of continuing operations, the increase was 26 per cent on a rise in revenues of 24 per cent to \$6.5bn.

The third quarter would have looked better bot for an \$110m charge to profits at the \$110m charge to profits at the international banking division, American Express Bank, as a reserve against potential losses on Third World loans. This cut earnings from the bank in half, to \$21.6m, but has left American Express with all but 10 per cent of its long-term Third World loans

By James Buchan

in New York

At the heart of American Express, the card and travel-lers cheque operation known as Travel-Related Services, earnings increased 17 per cent to \$241m in the quarter. The key to the growth was e strong increase in card ownership overseas, where cards in force

rose 17 per cent.
American Express's fand management susbsidiary, IDS Financial Services, also did well with an increase in earn-

ings of 19 per cent to \$48m. Shearson Lehman Hutton, the investment bank which is American Express's most volatile business, contributed \$40.9m to its parent, thanks to good securities trading results and a special gain on the sale

Most promising is American Express's newest business, Information Services, which provides back-office computer systems and money transfer products. Earnings rose 38 per cent to \$21.6m

Nine-month group net income was \$899.3m or \$2.09, an increase of some 17 per cent from continuing operations. Revenues were up 24 per cent at \$18.73bn. • Wells Fargo, the Californ-ia-based bank, hasincreased its quarterly dividend to 90 cents

share from 75 cents. Third- quarter earnings rose to \$153.7m or \$2.83 a share from \$131.7m or \$2.36. Nine month earnings rose to \$442.6m or \$8.07 from \$376.6m or \$6.75.

Engelhard to

buy CanPac

unit for \$110m

Higher prices lift Cyprus **Minerals**

By Kenneth Gooding,

HIGHER copper volumes and prices helped lift third-quarter

Cyprus's earnings in the first nine months this year of \$210.9m or \$5.12 a share, were more than the 1988 full-year

segments were profitable in the third quarter, including coal and gold, which were loss-makers earlier in 1989. Mr Kenneth Barr, president, said "further improvements are expected in the remainder of the year."

Cyprus realised an average of \$1.32 a lb for copper during the quarter, up 30 cents a lb from a year before. In the nine months the company sold 635m

Revenue in the quarter rose from \$326.6m to \$463.5m while for the nine months it was up

and Carrier, the air conditioning business, had experienced the largest revenue increases in the quarter, with the over-sees units of both peforming particularly strongly. sales of \$7.4bn.

Net income for the nine months was \$517.7m or \$3.91 a share, against \$508.5m or \$3.89. Revenues were \$14.5bn, compared to \$13.2bn in the same Fellow defence contractor period of 1988. The mine-month figures for 1988 included a net-pre-tax gain of \$82m from the sale of certain businesses.

Analysts are expecting a more substantial jump in net more substantial jump in net profits in 1990 as the benefits of the swelling engine order book work through. Mr Damell said the strong demand for the group's new technology commercial engines would "pay off for years to come."

General Dynamics, the second largest defence contractor in the US, reported third-quarter net income of \$765m. virtu-

ter net income of \$76.5m, virtually unchanged on 1988; and earnings per share of \$1.83, against \$1.82.

The nine-month figures also showed little change on 1988, with net income of \$210.8m on

The company said there had been significant earnings gains in its general aviation and material service businesses, a recovery in submarines and higher sales of military air-

Northrop suffered a drop in third-quarter net income from \$28.5m to \$27.5m on sales of \$1.25bn, down from \$1.36bn in the same period of last year. Earnings per share were 46 cents, down from 61 cents. cents, down from 61 cents.

The company said the decline in sales was due to lower volume in the research and development phase of a number of long-term projects, including the B2 bomber, which is now in initial production. Higher than anticipated costs on a number of fixed price R&D contracts had cut price R&D contracts had cut the \$102m operating profit by

were up 17.1 per cent to \$2.73bn

from \$2.34bn.

The drop in earnings was attributed to a slightly lower yield and higher fuel prices.

AMR's operating income for the period fell 89 per cent, to

\$230.8m, while operating

expenses leapt 20.3 per cent to

Nine-month net income rose 15.5 per cent to \$415.9m or \$6.58 a share from \$360.1m or \$5.98

the previous year.

Revenues increased by 22.3

per cent to \$7.89bn from \$6.46bn.

20th October, 1989

42.9

\$2.5bn.

Pessimistic outlook at AMR

believe the company may still be a takeover target; but that new bids will not approach Mr Trump's earlier (after.

Analysis expect lower sec-

ond half earnings throughout the US airline industry as bar-gain fares to lure tourist traffic

take their toll on profits.

Net income for AMR, the biggest US carrier, fell 8.8 per cent in the quarter ended September 30, to \$137.0m or \$2.15 a

share on a fully diluted basis,

from \$150.3m er \$2.50 a share a

Revenues for the quarter

By Karen Zagor in New York

group's operating profits, had continued its strong 1989 per-

formance, with a 90 per cent

increase over the \$5bn in com-

announced for all of 1988.
Otis, the company's lift unit,

mercial engine orders

AMR, THE parent of American

about \$7.1bm, after last week's stock market plunge.

and reckless acquisition proposals adversely affect employee, financial and busiss relation ships and are contrary to the best interests of AMR shareholders.

"AMR has not been, and is not, for sale," said the AMR However, some analysts

By Kenneth Gooding

lbs of copper against 308m lbs in the same months of 1988.

Gold production in the quarter jumped from 26,000 ounces to 43,000 ounces and in the nine months was up from

from \$914m to \$1,35bn.

Airlines and recent takeover target, yesterday reported dis-appointing third quarter earn-ings and projected weaker mesolts in the fourth quarter.

Mr Robert Crandall, chairman and president, said:

"Unfortunately, we think these trends will continue and will

produce a very disappointing fourth quarter as well."

The results appeared to confirm Wall Street's gloomier tone for the airline sector in the wake of the collapse of takeover bids for UAL, parent of United Airlines, and AMR. Airline issues have soared in recent months in a frenzy of takeover speculation but have

fallen back since last Friday. Mr Donald Trump, the flam-boyant New York casino and property developer, recently withdrew his unsolicited hid of \$120 a share for AMR, valued at

The AMR board yesterday said: "We are pleased that Mr Donald Trump has withdrawn his uninivited proposal to negotiate a cash merger agreement with AMR. Ill-considered

Mining Correspondent

ENGELHARD Corporation, the US precious metals and chemi-cals group 30.5 per cent owned by Minorco, the investment arm of the Anglo American Corporation of South Africa, has agreed in principle to buy Processed Minerals, e subsidiary of Canadian Pacific US, for \$110m cash.

PMI is the world'e largest producer of products based on wollastonite which is used as a wollastonite which is used as a reinforcement, extender and asbestos replacement for resins, thermoplastics, adhesives, ceramics, paints, wallboard, brake linings and floor tiles.

Subject to government approvals, PMI will join Engleapprovate, and was found in the hard's pigments and additives division, already a world leader in the development, manufacture and marketing of kaolin

The acquisition "fits well with Englehard's strategic focus on the development and focus on the development and manufacture of value-added products based on surface chemistry," said Mr Orin Smith, Engelhard's president.

The purchase would broaden the company's technological base in speciality minerals, he added added.

earnings of Cyprus Minerals, the second-largest US copper producer, from \$35.1m or 80 cents a share to \$68.2m or

earnings of \$170m. All the company's operating

62,000 to 99,000 ounces.

23rd April, 1990 the Notes will carry an interest rate of 8%% per annum. On 23rd April, 1990 interest of U.S. \$445.52 will be due per U.S. \$10,000 Note against Coupon No. 16. ORION ROYAL BANK LIMITED Amember of The Royal Bank of Canada Group

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U.S. \$40,000,000 Subordinated Floating Rate Notes Due 1992

Notice is hereby given pursuant to the Terms and Conditions of ...

s that for the six months from 23rd October, 1989 to

... formerly

US\$100,000,000

MARINE MIDLAND BANKS, INC

FLOATING RATE SUBORDINATED CAPITAL NOTES

The Coupon amount for the period 19th October 1989 to 18th January 1990 should read as US\$225.21 per US\$10,000 not US\$250.76 as previously advised.

HONGKONGBANK LONDON LIMITED INTEREST DETERMINATION AGENT

Taiwan Power Company Floating rate 1982/89/92 US\$100,000,000

NOTICE IS HEREBY GIVEN to the noteholders that they have the possibility to proceed to an optional redemption on December 20, 1989 by presenting their bonds, together with all unmotured coupons oppertaining thereto, with any Paying Agent not later than November 3, 1989.

Redemption pay-date is December 20, 1989 at par (100 per cert), Interest pay-date is December 20, 1989 at US\$489.27 for US\$10,000 nominal and US\$12,231.77 for US\$250,000 nominal.

Bank of America International SA 35, Boulevard Royal, Luxemboura

Principal Paying Agent

TURKS AND CAICOS ISLANDS

UK Secretaries: Viscinct Corporate Services Limited 40 Holborn Viaduct

London, ECIP LAJ

The Financial Times proposes to publish this survey

27TH NOVEMBER 1989

For a full editorial synopsis and advertisement details,

please contact: NIGEL BICKNELL on 01-873 3447

or write to him at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

Amax on target for good year despite 57% fall

By Kenneth Gooding

resources group, unveiled a 57 per cent drop in third-quarter earnings from \$132.5m or \$1.61 a share to \$56.8m or 66 cents. However, Mr Allen Born, chairman, said: "In a slowing economy we are seeing the basic strength and balance of Amax's businesses. We are below last year's record earnings to date but we remain on target for another very good

Third-quarter 1989 earnings were reduced by \$41.7m as a result of Chevron Corpora-tion's exercise of its one-time right to receive an additional payment on the 15.2m Amax shares bought from Chevron in

AMAX, the US natural 1988. The quarter also included a gain from a payment related to the abortive bid for Fakonbridge and capitalisation of exploration expenditures appli-cable to the new Hayden Hill gold mine.

Amax said insurance proceeds were expected to cover property damage and losses fol-lowing the temporary shut-down of its Mt Holly alumin-ium facility in South Carolina which was hit by Hurricane

Hugo on September 22.
Nine-months earnings were \$301.9m or \$3.52, down from \$452.7m or \$5.03. Sales were \$928m against \$998m, for the quarter and \$2.99hn against \$2.95bn for nine months.

ACCOUNTANCY

The Financial Times proposes to publish this survey

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For a full editorial synopsis and advertisement details, please contact:

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> > or write to her at:

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FINANCIAL TIMES

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED ("The Company")

COMPANY ANNOUNCEMENT

(Incorporated in the Republic of South Africa) Registration number 01/01879/06

In the 1988 Annual Report, comment was made in general terms on the pattern of falling grades in materials available for treatment by the Company, and to the negative impact of rising costs in relation to a static gold price. This trend unfortunately continued resulting in a reduction in the remaining life of the operation to approximately five

The major supplier of dump material to the Company has now given notice that due to reduced profitability, material from this source will cease to be available after December 31 1989. This tonnage constitutes approximately half of the total material currently treated and if ongoing efforts to secure alternative supplies are not successful the remaining reserves will enable operations to be continued for only approximately two and a half years at current gold prices.

Members will be kept informed of developments.

Registered Office 44 Main Street Johannesburg 2001

London Office 40 Holborn Vinduct London ECIP 1AJ

October 20 1989

<u>agge</u>

UK Secretaries: Viaduct Corporate Services Limited 40 Holborn Viaduct

London, ECIP IAJ

INTERNATIONAL COMPANIES AND FINANCE

State calls Bond Corp's solvency into question

THE colvency of Bond Corporation, the principal listed company in Mr Alan Bond's Perth-based business empire, was nnexpectedly called into question yesterday by the Western Australian government through its State Government Insurance Commission (COC)

mon (SCHC).

The query surfaced in an SCHC letter rejecting as "not reasonable" Wednesday's surprise offer from Bond of A\$3.18 (\$2.44) a share for the SGIC's 19.7 per cent holding in Bell Group, the Bond subsidiary which owns the West Austra-lian morning daily newspaper. The developments came as

the group prepared for a release of annual profit results for Bond Corporation and its listed subsidiaries Bell Group, Bell Resources and J.N. Taylor Holdings. If the figures are not produced by Monday, the companies face suspension from trading.

panies face suspension from trading.

The Bond offer for the Bell Group stake was made in response to a tender by the SGIC, which acquired the holding in March 1988, and amounts to taking the company private. The AS3.18 comprises 30 cents to be paid in cash in January and the balance over 10 years through a series of bills of exchange.

Although the total is well abova. Wednesday's market level of 27 cents and yesterday's 38 cents, the offer is being judged in light of an indemnity — now being challenged in the courts by Bond — guaranteeing the SGIC AS2.70

a share. The SGIC, in a letter underscoring the enmity between Bond and the state government, pointed out that the offer on a net present value basis was worth "sub-stantially less" than A\$3.18, but accepted that its value should be accurately deter-mined First Pacific

Imagineering

FIRST PACIFIC, the Hong Kong-listed company linked with Mr Liem Sice Liong, the prominent Indonesian busi-nessman, is to acquire control of Imagineering Technology, a large Australian distributor of computer software and hard-

computer software and hard-

The deal, which is subject to

the approval of Imagineering shareholders and Australia's

Foreign Investment Review Board, will cement Imagineer

ing's growing business connec-tion with Asia, where it now

derives an estimated 55 per

Imaginearing is the creation of Mr Jodee Rich, who floated the group in 1985. As sales

have soared, repeated equity issues to provide working capital have seen his stake diluted to 35 per cent. Rather than con-

tinne the pattern, he has sought a "big brother" in First Pacific.

Under the proposal announced yesterday, First Pacific will initially acquire a

27 per cent stake in Imagineer-

ing through a placement of 20m shares at 90 Australian

First Pacific will then make a pro-rata offer for 20 per cent

of the shares owned by Imagi-

neering's existing sharebold-

ers. If they accept, its stake will rise to around 42 per cent of the enlarged capital.

At the same time First Pacific will acquire the right to move to 52 per cent by exerrising options to buy shares at

90 cents over the next two years or A\$1 over the subse-

quent three years.

The immediate result of the

equity injection will be a reduction in Imagineering's

high level of gearing. The debt-to-equity ratio is currently

estimated at 130 per cent, but would fall to around 60 per

cent if the transaction goes

Mr Rich, who is managing director, is thought likely to sell some of his sharsholding,

but intends to stay on with the

business. Board membership would change, however, with First Pacific having a majority

The Imagineering board is recommending the deal to its shareholders, saying it would have significant benefits because of First Pacific's existing regional marketing and distribution network.

The 90 cents offer compares with a closing price on Wednesday of 48 cents and a 1989 high, reached in January,

cents (\$0.69) a share.

cent of annual sales

Technology

to acquire

Citing the absence of the Bond accounts, it demanded "appropriate assurances" from Bond's principal bankers "as to the solvency of Bond Corporation and as to its ability to meet all of its obligations in

relation to the offer.

In a sharp reply, Bond said the SGIC's decision to release its letter publicly was "absolutely extraordinary" and it would not conduct public negotiations on the matter.

BCI chief switches to PR post

By John Elliott in Hong Kong

MR ALAN BOND has pulled Mr Peter Lucas out of his job in Hong Kong as managing director of Bond Corporation international (BCI) to be the Australia-based executive director for the group's public and investor relations.

BCI, which was floated on the Hong Kong stock exchange three years ago, has been run

down since it sold the colony's prestige Bond Centre office tower to EIR of Japan. only stakes in a Chinese brew-ery and the Chilean telephone company, and an Italian devel-

limited cash reserves. The company has a poor image in Hong Kong following

unsuccessful efforts by Mr Bond to buy out minority shareholders in February. But Mr Lucas, a senior director of the group, personally developed a positive and friendly image in Hong Kong.

He is not being replaced. Mr

Rob Stevenson, general manager, will become the senior

Anglo's output strategy pays off

ANGLO AMERICAN, South Africa's largest mining house, benefited in the September quarter from attempts to boost production, aimed at spreading the burden of higher costs over larger ore tonnages.

The strategy allowed most of

the group's mines to report higher operating profits despite the added cost of mid-year wage increases and the virtu-ally static gold price. It is in contrast to the routs

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\$ (----

NOTE:

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chosen by the rival Gencor mining house to cut labour forces and to concentrate lower production levels on extracting richer ore zones. Gencor has more marginal mines which, unlike those of Anglo, have been faced with operating

Ergo, Anglo's dump reclamation operation, was alone among the group's principal gold producers in reducing its gold production. Output was affected for about a mouth at one operating section by the biennial maintenance of an

By Our Financial Staff

US computer giant, and MCA, the Hollywood entertainment

group. It operates principally through licensing its world-

wide portfolio numbering about 1,400 patents relating to

optical disc recording and

		· •			•	
ANG	LO AM	ERICAN	GOLD	QUART	ERLIE	3
	0	roduced g) June 27	After-tax (Rn Sep 87		Sep 87	
landerand	3,344		39.0	36.5 19.9	16.8	20.2 25.8
reegold	27,649		172.1	180.9	79.1	71.7
A Land	343	346	1.0	1.0	10.2	11.6
and Backs	10 102	17 990	130.3	172.3	350.0	362.6

109.1

10,652 10,582

pleted and production will be neighbouring Rlandsrand restored to normal in the pres- increased its processing rate ent quarter.

Freegold, the world's largest gold mine, increased both its milling rate and its average gold recovery grade but never-theless suffered a 10 per cent

drop in its pre-tax operating profit to R162,7m (\$61.6m).

Vaal Reefs, the second largest of the group's mines, followed the same mining strategy but increased its operating profit by 3.2 per cent to R222.2m. Western Deep Levels

day brings in-house the patents on which it relies. Pioneer said, however, that

it had no plans for the moment

to use the acquisition to estab-lish research and development

facilities in the US but was

reproducing technology.

Ploneer has led the way in the launch of laser video discs

likely to consider such plans in subsidiaries, ics USA and ics Capital.

105.8 136.8 145.6

and gold recovery. Elandsrand has started to exploit richer ore from its new sub-vertical shaft and further grade increases are expected by analysts in Johannesburg as increased tonnages of ore are drawn from the shaft. South African Land, which

has a small dump reprocessing operation; has warned that its remaining life is unlikely to be more than 21/2 years. It is losbiennial maintenance of an R222.2m. Western Deep Levels ing the right to process various acid plant. According to Mr overcame a small recovery dumps and those remaining maintenance has been comore processing rate while until 1992.

A Pioneer official added in

Tokyo that the deal would enable the Japanese company to use optical disc technology for compact disc players. Other

ics USA and Pioneer Electron-

also remain.

France.

fmished at 58 cents. Although sometimes described as a high technology stock, Imagineering is actually a value-added distributor. It Pioneer buys DiscoVision for \$200m has become the dominant supplier of independent software and hardware peripheral equip-ment in Australia and New Zealand, and quickly expanded

into South-East Asia.

The adviser to Imagineering on the proposal is Jardine Fleming Australia. An independent report on the transac-tion is to be conducted by BZW

leading holders of basic patents for optical disc technol-ogy are Philips of the Nether-lands and Thomson-CSF of Adsteam raises Government approvals are needed for the deal in the US and Japan. Pioneer struck the deal through its two US-based subsidiaries, Pioneer Electronstake in IEL

to 17.2%

ADELAIDE STEAMSHIP, an Australian investment and trading company, has again lifted its stake in Industrial Equity (IEL), also an investment concern, to 17.2 per cent

from 16.2 per cent, AP-DJ reports from Adelaide. In a statement to the Austra-lian Stock Exchange, Adsteam said it bought the extra shares between October 12 and 18 for between A\$1.90 (\$1.46) and

A week ago Adsteam said it had lifted its stake from an earlier 15.2 per cent.

The buying comes amid a hid for the company by Corama, a company controlled by financier Mr Abe Goldberg with Mr Rodney Price and Mr Bill Loewenthal, two IEL execution of the control of the company of the control of the company of the control of the company of the compa utives. Corama's A\$2.25 a share bid, valuing IEL at some A\$1.85bn, has run into financing delays.

HEALTH 2000 LIMITED

The Directors of Health 2000 Limited announce that In view of their decision to realize all the investments of the Fund the investments of the Cuts during the period up to 14 November 1989, they have also exercised their powers to suspend dealings in Participating Shares of the Fund during this period.

LEGAL APPOINTMENTS APPEAR EVERY MONDAY FOR FURTHER INFOR-MATION

CONTACT

01 873 3000

NICHOLAS BAKER XX456 DEIDRE McCARTHY XX694

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ECU 2,260,050,000

Debt Financing for The Acquisition of

Avis Europe plc

Cilva Holdings PLC

Arranged and fully underwritten by Citibank, N.A. and Société Générale

Agent Citicorp Investment Bank Limited

24th August, 1989

CITICORP

SOCIÉTÉ GÉNÉRALE

SPONSORED SECURITIES

PIONEER ELECTRONIC, the in Japan, and under existing Japanese maker of audio and video products, is paying output of the equipment used to play them to 600,000 units,

\$200m for DiscoVision Associates (DVA), a California supplier of optical disks.

DVA has functioned as a joint venture between IBM, the

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PLEASE TAKE NOTICE, that CYDSA, S.A., a corporation or-gamised and existing under the laws of the United Mexican States, has offered pursuant to an Offer Letter dated October 20, 1989, to redeem the U.S. \$28,125,000 outstanding Flosting Rate Notes due 1988-1991 and issued pursuant to a First Supplem Indenture dated as of February 5, 1985 between CYDSA, S.A. and First Interstate Trust Company of New York, as Successor Trust as supplemented by a Sec Supplemental Indentura dates of August 30, 1985 and a Third ental Indeptore dated as of March 25, 1988. To accept the in accordance with the instruc

in accordance with the instruc-tions in paragraph 4 of the Offer Letter on or hefers 1.00 p.m. (New York Time) on October 24, 1969. Holders may obtain a copy of the Offer Letter on October 20, 1989 from Royal Bank of Canada, London, 71 Queen Victoria Street, London, England EC4V 4DE, attn: Agency Department or First Interstate Trust Company of New York, 2 Broadway – 29th Floor. York, 2 Broadway - 29th Floor, New York, New York 10004, as

cessor Trustee.

FINANCIAL TIMES CONFERENCES

WORLD PULP & PAPER CONFERENCE

Hotel Inter-Continental, London 12 & 13 December, 1989

The Financial Times ninth annual conference, to be arranged in association with the European Paper Institute, will review the changes taking place in the international structure of the business and corporate strategies for the 90s. It will also analyse opportunities for international trade and investment as well as the impact of technology and innovation.

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Mr Hans de Korver

Mr Friedrich Luhde International Finance Corporation

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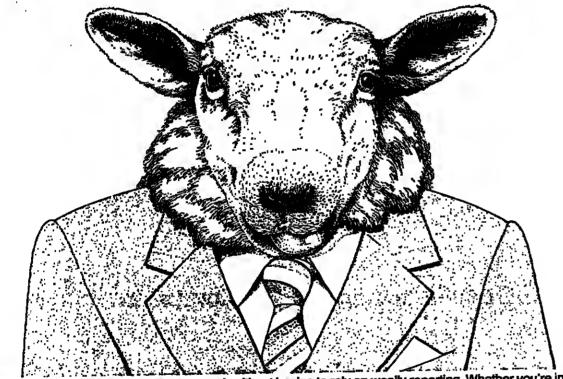
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INTERNATIONAL CAPITAL MARKETS

Syndicate managers split over pricing of IBM deal

AN Ecul25m flye-year issue for IBM International Finance dominated new-issue activity in the Eurobond market yesterday, with syndicate managers divided over the pricing and handling of the deal.

The bonds were brought by Paribas Capital Markets with a 9% per cent coupon, a nominal issue price of 101%, and underwriting fees of 1% per cent. However, syndication was informally along the lines of a fixed-price reoffering, with Paribas asking members of the small group to reoffer the bonds to investors at par.

A Paribas official said there had not been time to organise a formal reoffering as the deal

was driven at short notice to take advantage of a swap take advantage of a swap opportunity. According to deaiers, proceeds were mostly swapped by Banque Nationals de Paris, the joint-lead manager, into three or more floating-rate European currencies. At least two other banks were said to have been hidding were said to have been bidding for the IBM mandate, in spite of the Ecu sector continuing to be full of unplaced paper as retail investors, especially Swiss, remain largely absent.

Demand yesterday was mainly

AUSTRALIAN DOLLARS Soc.Gen.Australia

ECUs IBM Int.Fig. NV

European Inv.Bk. ♦Final terms. ♦With equity yield to put 4.8% from institutions, with banks reporting some buying from unusual sources.

Several members of the lence. On the primary market, Union Bank was the lead manager of a SFri00m bullet-maturity 10-year deal for SAS.

Several members of the group reported unexpectedly good sales at par, but there was comment that the bonds

INTERNATIONAL BONDS

were very aggressively priced and a number of banks broke ranks by offering the bonds to investors below par.

Once this happened Parihas scrapped the syndicate's informal discipline and the price dropped to less 1% bid, a discount and the price dropped to less 1% bid, a discount and the price dropped to less 1% bid, a discount and the price dropped to less 1% bid, a discount and the price dropped to less 1% bid. count equivalent to full fees. Away from the lead manager, prices as low as less 2.10 bld ware seen, while Credit Suisse First Boston was quoting less 1.92 bid on its trading

There was comment that Paribas had bought back large amounts of paper but this was denied by the official, who said little had been repurchased.

In Switzerland, secondary market turnover improved slightly as investors began to recover after this week's turbu-

Amount m. Coupon % Price

(2%)

The bonds offered a 6% per cent coupon and were priced at 100%. The issue is callable at 101% after five years. USS was quoting the bonds at less 1% bid, a discount thought to be inside full fees.

UBS also brought a SFr200m convertible issue for Mitsubi-shi Trust & Banking, in paral-lal with a DM300m issue launched by Westdeutsche Landesbank (West LB).

The Swiss 4%-year deal offered a fixed coupon of % per cent, and a yield to put of 3.5 per cent. UBS was quoting the paper at less 1% bid, below the par issue price but around full fees. In Germany, West LB indicated the coupon on the 5%-year issue at 2% per cent, with a yield to put of 4.8 per cent. The bonds were quoted at less 2 bid, inside full fees of 2%

Elsewhere, Banca Commerciale Italiana brought a suc-cessful L200bn issue for the cession 1,200m issue for the European Investment Bank. The bonds carried a 12 per cent coupon and were trading inside fees at less 1.62 bld.

NEW INTERNATIONAL BOND ISSUES Fees Book runner 3,/12 Westpac Banking Corp 13,/% West LB 11/2 1995

FT INTERNATIONAL BOND SERVICE

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Listed are the latest inte	rnaționa	i bon	ds for	white	h th	ero is	an adequate secondary mari	. (losing	price	on Oct	tober :
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Swiss warn on issue link to Japanese equities

By William Dullforce

THE SWISS National Bank yesterday gave a warning over the current enthusiasm for Swise franc bonds linked to

Japanese equities.

My Hans Meyer, deputy president of the central bank, said investors buying options at elevated premiums on Japanese shares, which were already highly priced, were heing optimistic. Unusually high Swiss inter-est rates and the inverted yield

curve between short and long-term paper have had a marked impact on Swiss capital exports this year. According to Pictet, the Geneva-based milytis hank the volume of private bank, the volume of new International issues in Swiss france shrank by 24 per cent to SFr20.4hn (\$12.6bn) in

cent to SFr29.4hn (\$12.6hn) in the first eight months, com-pared with the corresponding period in 1988.

In contrast, equity-linked issues, more than 90 per cent of which were written on Japa-nese chares, had surged by 93 per cent to SFr15.1bn by the end of August.

Mr Meyer said the concen-tration on Japanese paper

tration on Japanese paper could prove worrying if there was a sudden reversal of the price trend on the Japanese

equity market. After Friday's mini-crash on Wall Street, dealers reported on Monday a plunge in the prices of Swiss franc options and bonds convertible into Japanese shares. This was followed by a recovery on Tuesday, when it became clear that Tokyo was holding firm.

Tokyo was holding firm.

Mr. Meyer also took issue, without being specific, with innovations on Swiss capital markets which hampered negotiability, restricted liquidity and "offered different combinations of risks instead of separating them out." The most prominent recent

PAGE

innovation on the Swiss mar-ket has been the introduction of covered warrants, which are particularly attractive to foreign investors.

Deutsche Bank has received. approval from the Hungarian Finance Ministry to open a representative office in Buda-

pest, Renter reports.

The bank, West Germany's largest, already arranges functing for about 20 per cent of the trade in goods and services between Germany and Hun-gary. It would be the first German bank with offices in Hungary.

Commonwealth to launch \$50m investment fund

By Lim Slong Hoon In Kuala Lumpur

THE COMMONWEALTH Heads of Government meeting in Kuala Lumpur has decided to launch a \$50m multi-country investment trust.
The closed-end fund, to be called the Hibiscus Issue after

Malaysia's national flower, will be managed by Batter March of Canada. Dealings in the shares, which are to be placed privately, will start early next year in London. The issue will be the Com-monwealth's first experiment

in using private capital as a form of development funding. It will aim to combine commercial and social goals by spreading risks and helping to develop small markets.

Although capital is to be raised from 50 key institu-tional investors, largely from Britain, investment will be restricted to companies in the 49 Commonwealth countries.

Mr B. Persaud, director of economic affairs at the Commonwealth secretariat, said vesterday. "Initially and all the control of th yesterday: "Initially, not all eligible countries will attract

investment.
"It will be necessary to place a limit on the more estab-lished markets in order to encourage investment in the Investments in quoted com-

panies will probably start in eight stock markets, beginning in London then moving to the Far East, the Caribbean and the Indian sub-continent. As many as 18 countries will be eligible initially.

The Commonwealth has also agreed to allow investments of up to 30 per cent of the fund's capital in unquoted compa-nles, primarily in smaller er countries

The investment company, to be based in a Commonwealth tax-haven country, will operate independently of the Commonwealth and its London secretariat. However, a director named by the Commonwealth will sit on the board with a private, consultative status.

Mr Persaud said that, in time, the fund was likely to develop a niche in the newer markets. "As they expand, they are likely to receive a higher allocation of funds."

If it succeeds, equity funding may be expanded to other forms, including venture capi-tal and ultimately an umbrells By Janet Bush in New York and Rachel Johnson in London

US TREASURY bonds yesterday rallied by more than % point in response to an encouragingly small rise in consumer prices in September and the yield on the long bond call below? fell below 8 per cent. In late trading, the short end of the yield curve stood around h point higher while the long bond was quoted h point higher for a yield of 7.96 per

The CPI rose a seasonally adjusted 0.2-per cent in Sep-tember compared with no change in August. Even stripping out the volatile food and energy components, the index rose by only 6.2 per cent. So far-in calendar 1989, the CPI has grown at a 4.4 per cent annual rate, substantially below the annual rates seen in the worry-

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ing first quarter.

After three days of adding modest amounts of reserves to the banking system aimed at calming markets after the stock market plunge last Fri-day, the US Federal Reserve yesterday, the first day of the new statement fortnight, drained funds through four-day

matched sales. The Fed has a drain need over the next two weeks but the fact that it has resumed draining reflects the fact that the central bank feels that markets have calmed down enough to return to more normal open market operations, according to Mr Larry Leuzzi, bond economist at S.G. Warburg Securities in New York.
The Fed entered the market

at 81 per cent, around where bond analysts feel the current official target is Fedwatchers believe that the Fed has eased modestly to around 3% per cent to 3% per cent since the round of European rate rises

GOVERNMENT BONDS

They expect recent economic figures such as a 5.2 per cent fall in housing starts in Sep-tember as well as yesterday'a evidence of subdued inflation should bias the Fed towards further easing to 8% per cent, perhaps over the next two

However, Mr Lenzzi believes the Fed will wait for some-more weak data before clearly signalling a move to 8% per cent. Only at that point does he expect that commercial banks will move to cut their prime rates from the current 10.5 per cent.

■ A STREAM of economic data issued yesterday sent the UK government bond market lower, as it struggled to consol-idate the gains made during the "mini" stock market crash. Gilts had a quiet day, opening a fraction lower until statistics showing a jump in public borrowing in September caused a slight upset. However, the cash market ended the day breadly unsheared the day broadly unchanged, with the 9 per cent 2008 stock, when Fed funds were trading for example, closing at 94.24 to

BENCHMARK GOVERNMENT BONDS

	Coupan	Red Dele	Price	Change	Yield	Week	Month
UK GILTS	13.500 9.750 9.000	9/92 1/98 10/08	104-20 96-11 94-24	-4/32 +1/32 +2/32	11.70 10.60 9.61	11.80 10.75 9.72	11,13 10,36 . 9,43
US TREASURY	8.000 8.125	8/99	100-10 101-25	+ 15/32 +31/32	7.95 7.97	8.04 8,02	8.06
JAPAN No 111 No 2	4.800 5.700	-6/98 3/07	.95.7560 104.3600	+0.029 +0.095	5.82 5.22	5.45 5.20	5.28 - 5.17
GERMANY	6.750 -	-6/99	98.1500		7.01	7.08	6.90
FRANCE BTAN - CAT	8.000 a 125	7/94	85.3084 95.5200	-0.322 -0.030	9.24 8.82	9.31 2.87	8.90 8.56
CANADA *	9.500	10/98	100.0000	0.175	9.49	9.64	9,52
NETHERLANDS	7.250	7/99	98.6500	+0:110.	. 7.44 ·	7.48	7,24
AUSTRALIA	12.000	7/99	91,2620	-0.148	13.64	13.73	13.23
London closing, *d Yields: Local mark			close Prices: U	s. UK in t	2nds. 0	thers in	decima

yield 9.6 per cent. Liffe futures also weakened slightly at the data, opening at 92.30 and clos-ing at 92.31. Long gilts opened lower at 9211 from 921 at its last close.
The markets were nervous

ahead of last night's speech on economic policy hy Mr Nigel Lawson, the UK Chancellor. However, they had no time to react to the boost the speech was expected to give sterling.

■IN THE German government bond market, volumes were much smaller than over the last few days - which have seen a record number of contracts traded in December Investors remained attracted

although traders said there was some UK institutional interest at both ends of the yield curve. This gave reassurance that the market would hold on to at

sborter-dated stocks,

least some of the price gains made over the last few days. Across the board, bunds were about 75 cents higher than they were last Friday.

The September 1999 bond closed on Friday at 99.20, leapt to 99.40 on Monday and was still high yesterday at 99.95. The Dutch and French markets were described as wholly reactive to the dollar and US equity markets. The focus has

for now shifted away from economic fundamentals and the activities of the Bundes- The People's Bank of China has issued a regulation to state banks and financial companies move smacked of a forlorn effort at rolling back the investment technology clock. hanning several kinds of loans, Reuter reports from Peking.

Loans are forhidden to pro-

iects ontside the state plan, non-manufacturing construction projects, self-funded capital construction projects, cot-ton, wool and cigarette plants and small oil refineries. Also proscribed are companies that lose money or have large inventories, companies involved in speculation and hoarding, non-state companies purchasing grain or cotton, companies that profiteer by transporting farm goods and companies which expand fixed assets by obtaining loans in Technical Data/ATLAS Price Sources Advance.

Small rise in consumer | Circuit breakers triumph in the panic test

Katharine Campbell on how new safety valves in the market passed the first big trial

ircuit hreakers, the financial world's latest contribution to obscure jargon, were among the more visible aspects of market reform in the wake of the last crash. Introduced somewhat unwill-

ingly by a group of belea-guered US securities and derivatives exchangee, it is surprising they worked as well as they did in their first big test a few days ago.

There is nothing new about the concept of a circuit breaker. The most efficient so far is the weekend which, as recent events showed, permits a diffusion of panic and allows

time for informed reassess-ment of market and economic There are other devices designed to calm fast markets too. For example, when the specialist system on the New York Stock Exchange is overloaded there is a pause to allow individual specialists to resolve the imbalances.

But the present circuit breakera specifically take account of the closer links between different markets, created by a series of trading tech-niques that deploy securities, futures and options as part of

one portfolio.

In the absence of anything else, the speed of the market a fall on October 19 1987 was blamed on new forms of computerised trading. The small investor, it was argued, was being hurt hy the new "com-moditised" markets which had developed a new ingredient dramatic volatility swings. Circuit breakers were an attempt to curb the wilder excesses, although to some the

The backbone of the circuit The backbone of the circuit hreaker mechanism was provided by an agreement last year on the anniversary of the 1987 crash between the New York Stock Exchange and the Chicago Mercantile Exchange (CME). The deal set out variances ous forms of co-operation between the two markets on a one-year pilot programme, which has just been extended by a further year. Some of the essential trigger points are:

• If the S&P 500 futures contract opens np or down 5 points from the previous day's close, that limit is maintained for up to 10 minutes. If no huy orders have materialised by then, there is a trading halt of two minutes before a second

 When the S&P 500 futures contract falls 12 points, equivalent to 96 points on the Dow Jones Industrial Average, the limit is maintained for 30 minutes. Transactions can only be effected at the limit price.

• At this point the so-called idecar" comes into effect at the NYSE. This isolates program trades - encompassing a variety of computer-assisted investment strategies - from the other orders entering the

exchange hy the SuperDoT electronic feed and shepherds

them into a separate computer

opening range is established;

here, bny and sell orders for each individ-ual stock are matched and after five minutes the paired amounts are conveyed to the stock specialist. Trading in stocks with imbalances -Disney was the sole example last Friday -- is halted until the position can be resolved; • If the S&P 500 futures con-

tract falls a further 18 points

the limit remains in place for

another 30 minutes. • Trading on the NYSE is not halted until the Dow has fallen the 250 points, at which time all equities and futures trading ends for an hour. The futures contract cannot reopen until at least 50 per cent, hy capitalisa-tion of the stocks in the cash index of the cash index, has

been restarted.

If the index falls a further 150 points in the same day trading stops for another two

Other exchanges have similar arrangements. For example, the Chicago Board Options Exchange (CBOE) makes its decision as to whether to halt trading on the S&P 100 index option (OEX) according to the futures and cash market trigger levels. The overall mechanism judged to have worked this

time follows the recommenda-tions of the Brady report,

drawn up after the 1987 crash, except for the recommendation that all markets should close simultaneously. It proved impossible to co-or-dinate all the markets, partly because some exchanges appre-

ciated the commercial attrac-tions of remaining open while But the lack of co-ordination has attracted some criticism. When the S&P 500 future reopened after the first circuit breaker was instituted at the 12-point mark a week ago, the CBOE remained closed for the

rest of the day. . This resulted from the way the options market operates by means of a cumbersome opening rotation where the price is set in each of a multiole of options series. In a fastfalling market it is almost impossible to affect the process and there have been calls for the CBOE to improve the system, as it said it would after problems in 1987.

Meanwhile, the trading techniques that prompted the cir-cuit breakers in the first place have changed substantially in the last two years.

he infamons portfolio insurance techniques – dismissed by one investment banker as "academics playing at being fund manag-ers" – have disappeared. So the cascading effect of huge futures sell orders in a plummeting market — the Achilles' heel of the flawed strategy to protect a portfolio's value — is less of a danger. Indeed, one of the newer compnter-assisted techniques tactical asset allocation (TAA), where fund managers switch on a short-term view between classes of assets - has a posi-tively stabilising effect as the system will tend to buy into

At the same time, some fund managers cautiously welcome circuit breakers in a TAA context as allowing time to make sments and adjust mod-

falling prices and sell into ral-

The NYSE's monthly data on program trading indicates that about 10 per cent of total turn-over is attributable to program trading of one form or another. More than half of this is so-called index arbitrage, wherehy firms take advantage of discrepancies between cash and futures prices hy selling one and buying the other. program trading – a rather ill-defined hogey for the months following October 1987 – that a number of Wall Street Now the practice has

bilising.
On Monday, for instance, it was a group of index arbitra-geurs selling futures and buy-ing securities that belped sus-tain the Dow rally that began

soon after opening.
The arbitrageurs helieved that futures prices, which had opened at a discount to the cash price, had moved to a sufficient premium to warrant such trades – although cynics pointed out that many had lost money because the price of the cash index that appeared on the screen was only a poor guide, as many component

stocks had not yet opened. It is therefore difficult to point to particular strategies that are inherently stabilising. But the reason circuit breakers are more appropriate to the US markets — they have not been introduced elsewhere — is at least as much to do with the simple fact of a highly automated transmission process, SuperDoT, which allows for sell orders of all kinds to be routed to the specialists at the press of a button.

ne fear ahout the breaks, though, which is yet to be tested, is that they could act "like mag-nets," as one fund manager put it, inducing panic selling as the

limit approaches.

And there is the more fundamental concern is that while they may work if the selling is Such was the furore about relatively mild, they could exacerbate fears and frustra-tions if, one after another, circuits are tripped in a crash of 1987 proportions, making it impossible for the market to firms very publicly stopped impossi performing index arbitrage reopen.

Sturge drops legal fight

C. STURGE, a futures broker nised that the AFBD had to be disciplined by the Association of Futures Brokers and Dealers, has dropped High Court proceedings instituted last January against the self-regulatory organisation, a week before the issue was due to come to trial, writes Katharine Campbell.

Mr Eamonn Ledwidge, recently appointed managing director, explained the with-drawal by saying he recog-

seen to be in a position to regulate. The firm will pay the

ance and financial resource problems identified by the AFBD led to it barring the firm, at the beginning of the year, from handling new client

Some other restrictions imposed at the time have been

French and UK discount houses in link

A JOINT venture between Cater Allen Futures, a subsidiary of the London discount house, and Caisse de Gestion -Mobilière (CGM), the Paris-based discount bouse, anticipates increased opportunities resulting from the single European market after 1992, Colin Millham writes. -

Cater Allen will now provide a full broking and advisory ser-vice on the Matif in Paris, and CGM has a reciprocal arrangement on the London International Financial Futures According to Mr Tony la

Cater Allen Futures, as a dis- floor of the Matif. count house the parent com-pany has always dealt in the sterling markets. But after 1992 it could find itself trading other European paper, including French government bonds. Earlier this year GNL the futures broking arm of dis-

count bouse Gerrard & National, formed Trifutures, a joint venture between it and two French institutions. The Roche, managing director of new firm will operate on the

The increasing interest of British institutions in the Matif follows the French futures exchange's dramatic growth during its three-year existence. Last month its total turnover exceeded that of Liffe

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

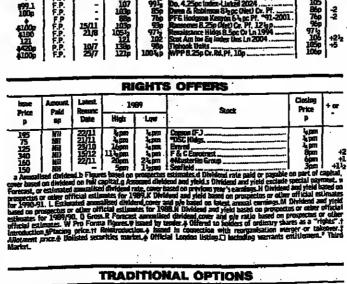
FT-ACTUARIES SHARE INDICES

---- These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS			ay Oct	Wed Oct 18	Tue Oct 17	Mon Oct 16	Year ago (approx)			
Flg	& SUB-SECTIONS pures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield% (Matx.)	Gross _ Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1989 to date	index No.	Index No.	Index No.	lodex No.
1	CAPITAL GOODS (204)	879.44	+1.4	12.57	4.80	9.74	27.02	867.12	850.97	853.32	821.51
2	Building Materials (29)	1031.57	+2.4	. 15.03	5.35	8.32	.35.78	1007.15	989.12	986.77	1033.13
3	Building Materials (29)	12397.50	+2.3	17.45	5.50	7.48	51.75 68.90	1368.82 2543.74	1345.77 2489.34	2483.23	1623.49 2341.92
4	Electricals (10)	200.41	+8.4	10.76 9.50	4.87 3.79	11.68 13.57	49.22	1923.48	1891.74		
5	Electronics (30)	1730.33	+0.8	11.73	4.72	10.37	14.38	469.42	459.37	457.77	430.33
6	Mechanical Engineering (54)	4/0.03	+1.5	22.67	6.68	4.86	15.15	451.38	437.86	442.20	499.11
8	Metals and Metal Forming (6)	433.34	+0.5	11.25	4.83	18.40	9.97	347.33	342.03	349.66	
-3	Motors (18)	347.70	+1.4	10.02	4.54	11.78	51.93	1624.68			
10	CONCINED COOKS (CA)	1240.42	+0.8	8.88	5.55	14.16	26.91	1238.65	1208.93		
53	CONSUMER GROUP (184). Brewers and Distillers (23) Food Manufacturing (20) Food Retailing (14)	7422 47	+6.3	9.19	3.46	13.61	28.11	1418.91	1396.95		
22	Food Atameter turing (20)	7104 12	+1.0	9.27	3.87	13.62	25.28	1093.28	1074.83	1085.54	
25	Food Detailing (14)	2297 62	+0.4	9.20	3.05	14.52	43,00	2288,13	2247.36		1926.46
20	Food Retailing (14) Health and Household (14) Leisure (34) Packaging & Paper (15) Publishing & Printing (18)	2395 88	+8.4	6.53	2.00	18.25	39.12	2386.36	2342.69		1945.75
56	pleton (2/3)	1588 88	+0.4	8.28	3.63	14.88	57.26	1582.86	1555.80	1553.17	1409.19
47	Parkaning & Page (15)	533.59	+0.7	11.22	4.88	11.11	16.17	539.10	521.13	512.34	564.31
32	Publishing & Printing (18)	3477.89	+1.0	9.16	4.90	14.61	195.93	3442,76	3362.87	3349.25	3494.49
34	Stores (32)	774.08	+2.8	: 11.06	. 4.74	11.80	18.59	753.35	738.55	745.35	778.78
35	Textifes (14)	587:97	+0.1	11.26	5.79	10.77	15.74	507.41	502.13	506.13	525.TI
40	OTHER GROUPS (93)	1120.10	.+1.2	18.43	4.58	11.56	27.47	1186.29	1087.44		
41	Agencies (1.7)	1482.36	+1.2	7.12	2.43	17.33	25.80	1465.10	1429.38	1448.99	
42	Chemicals (22)	1206.29	+0.5	12.44	5.19	9,47	43.66	1290.79	11,78.59	1188.11	
43	Conglomerates (13)	1603.19	+2.2	19.66	5.35	11.04	36.84		1542.83		1255.24
45	Stores (20) OTHER GROUPS (93) Agencies (1.7) Chemicals (22) Conglomerates (1.3) Transport (1.3) Telephone Networks (2)	2160.33	+1.4	10.38	4.34	12.32	56.50		2103.15		
47	Telephone Networks (2)	1898.73	B.I	11.03	4.58	11.21	22.38		1674.41		980.21
-4631			+2.7	9.47	4.47	11.93			1776,45		
4 11	TURAND I KTUT PHANCE (402)	1177.00	+1.1	10.28	4,16	12.00			1095.67		
51	Oil & Gas (15).	2157_18	+8.2	18.04	5.26	13.16	87.50	2153.05		2136.27	
59	500 SHARE INDEX (500)	1214.19	+1.0	10.24	4.32	12.15	32.85	1202.54	1181.74	1190.37	1855.46
41	ETMANCIAL COMID (121)	745.43	+1.2	_ :	5.68		28.17	736.94	728.16	732.36	708.49
62	Rank (9)	744.48	+0.3	23.17	6,71	5.67	35.17	742.20	739.81	749.04	
65	FINANCIAL GROUP (121) Banks (9) Insurance (Life) (8)	1269.33	+1.9		5.24	: -:	47.56	1187.20	1185.76		
66	Insurance (Composite) (7) Insurance (Brokers) (7) Merchant Banks (11)	635.26	+1.4	- "	5.95		28.34	626.72	617.65	626.95	
67	Insurance (Brokers) (7)	1812.63	+1.1	7.45	6.21	17.86	45.26	1091.08	926.61	967.34	
68	Merchant Banks (11)	392.59		-	4.31	-	9.70	391.55	380.81	369.14	
69	Property (49)	1170.03	+2.3	7.57	. 5.A7	16,84	21.42	1143.43		1130.77	
70	Property (49) Other Financial (30)	323.67	+0.9	12.22	6.81	19.67	13.25	320.98	314.15	304,56	
71	Investment Trusts (6R)	1171.92	+1.0	_	2.95	-	20,26	1168.54	1147.97	1143.90	935.99
81	Mining Finance (1)	664.65	+9.6	21.24	4.05	10.00	22.25	668.80	645,41	655.67	585.72
91	Investment Trusts (68) Mining Findace (1) Overseas Traders (8)	1283.82	+1.4	19.77	6.22	10.65	48.04	1266.62	1255.90	1264.35	1372.18
- 60	ALL-SHARE INDEX (696)	1100.15	+1.0	_	4.48	-	31.30	1889.30	1072.59	1078.89	969.89
		Index	Day's	Day's	Day's	Oct.	Oct	Oct	Oct	Oct	Year
		PARTY.	. Day s	100 3	****	· 18	17	16	13	. 12	. 290

	FIX	ED I	NTE	REST				AVERAGE GROSS REDEMPTION YIELDS	Thu Oct 19	Wed Oct 18	Year ago (approx.)
:	PRICE INDICES	Thu Oct 19	-Day's change %	Wed Oct 18	xd adl. today	xd adj. 1989 to date	1 2 2	British Government Low S years	10.02 9.52 9.46	10.89 9.54 9.46	9.53 9.19 8.89
1	British Government Up to 5 years 5-15 years	116.51		116.51 130.01	1	10,00 11,60	6	Medium 5 years	11.03 9.96	11.81 9.95 9.58 11.12	9.94
3 4	Over 15 years irredeemables All stocks	140.40 163.19	+0.04	140.35 163.04	_	12.80 8,83 31.24	ģ	High 5 years		18.18 9.74 9.52	9.56 9.15
5	Index-Linked Up to 5 years Over 5 years		-0.23 -0.30	137.42 136.43 136.39		2.79 3.21	强	Index-Linked 10 10 10 10 10 10 10 1	4.03 3.71 3.14 3.52	5.94 3.68 3.65 3.58	2.92 3.71 1.74 3.53
9	Debentares & Logies	108.99	+0.31	708.65	3. 0-	8.99	15	Delis & 5 years	13.54 12.20 11.67	13.56 12.23 11.72	11.80 11.00 10.68
1	Preference					5.05	•	Preference	10.61		
	#Opening index 2161.3: 10 am 2173.9: 11 am 2182.8: Noon 2186.7: 1 pm 2186.2: 2 pm 2188.2: 3 pm 2191.9: 3.30 pm 2188.5: 4 pm 2190.2 (a) 03 9.00 am 1 Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by pest 34p. FTA ALL SHARE INDEX: Share capital changes for the constituents can be found daily an Topic page no. 10243.										

43 9 86 104 Totals. LONDON RECENT ISSUES EQUITIES issue Price Paid Resunc 1989
Price Paid Resunc High Low 120 F.P. 3/11
100 F.P. 156 F.P. 2/11
156 F.P. 2/11
157 F.P. 2/11
158 F.P. 2/11
159 F.P. 3/11
159 F.P. 3/11
159 F.P. 21/10
159 F.P. 2/11
159 F.P. 2/11 FIXED INTEREST STOCKS 939 Bruster Inds. 7. Tipe Co. Pf.
959 British Aerospace 7. Tipe Died Co. Pf.
964p British Aerospace 7. Tipe Died Co. Pf.
14 ppp Died St. Eds. Rec St. Iyer Co. Rd.
15 p Scottan Beach 7. Spiret Co. Rd.
16 p Scottan Beach 7. Spiret Co. Rd.
17 p Scottan Beach 7. Spiret Co. Rd.
18 p Scottan Beach 7. Spiret Co. Rd.
19 p Scottan Beach 8. Spiret Co. Rd.
10 p Scott Am beach 8. Spiret Co. Ld.
10 p Scott Am beach 10 place Line Ld.
10 p Scott Am beach 10 place Line Ld.
10 p Scott Am beach 10 place Ld.
10 p Scottan 10 p Scottan 10 place Ld.
10 p Scottan 10 p Scottan 10 place Ld.
10 p Scottan 10 p Scott 28/7 20/20 999.1 100p RIGHTS OFFERS



960 +1 970 -1 980 +2 4510 +1 4510 +2 4510 +2 4510 +5 1060 +5 First Dealings
Last Dealings
Last Declarations
For settlement Oct 9
Calle in Atlantic Res, Kelt Energy,
Jan 11
Jan 22
Bar, Ossory, NSM, First Nat, Ferranti, Lets Inv. Put Jaguar

LONDON TRADED OPTIONS

THE LONDON traded options market continued to be dominated by the movements on the stock market, with Investors still comparatively wary of individual company optione after the lerge declines earlier in the week. The FT-SE 100 index option accounted for nearly half of the day'e turnover, with business weighted towards October puts.

The FT-SE opened 8 points lower but quickly moved into positive territory, influenced by the strong gains made by the FT-SE December futures contract. Dealers on the London International Financial Futures Exchange were believed to be short of the FT-SE and for most of the day December traded at e 10 to 20 point pre-

mium over the cash index. How-ever, unlike at the start of the week, the gains in the futures additional business in options. The caeh markel gradually climbed to e high of up 25 but never managed to close the gap on the futures market. The slow

lead, however, to an increase in institutional business. Again, institutions waited on the side-Ines, uncertain as to the strength of the market's gradual recovery, deafere seld. Inetsad, activity tended to be transacted in small quantities and was dominated by trede between merket mekers and freeh privete client business.

on the futures market. The slow move up by the etock market contrasted with the eharp movements of earlier in the week and led to e fall in the options markets volatility. Dealers said volatility in individual stock options fell from an average of around 35 to 40 per cent on Monday to 25 to 30 per cent on Monday to 25 to 30 per cent yesterday. The FT-SE's volatility for December seriee fell from 25 to about 22 per cent.

The decline in volatility did not trace between merket mekers and freeh private client business.

Turnover in the FT-SE index option amounted to 20,905 contracts, of which 13,579 puts and 7,326 were calls. The buelest series was the October 2,200 put, which treded 1,998 lots. Total furnover on the options market with the eharp movements of earlier in the week and led to e put option amounted to 20,905 contracts, of which 13,579 puts and 7,326 were calls. The buelest series was the October 2,200 put, which treded 1,998 lots. Total furnover on the options markets which 21,314 were calle end 20,806 were puts.

		t	ALLS			PUTS					ALLS	;		PUTS					كلللا			UTS	_
Option		Oct	Jan	Арт	Oct	300	Apr	Option		_	Jan		_	Jan	Agr	Option Not	140	Hev	Jan 14	Mar 15	Har	Jan	Mar 7
Alle Lyons (486)	460 500	28 6	51 30	70 30	20 20	16 37	25 42	Starchouse (*119)	110 120	15 6	ij	22 15	112	10	11	Abbey Nat. (*144) Ferranti	160	2	15 15	5	18 1½	10 2½ 7	19 4
Brit, Akways (*198)	180 260 220	19 5 1	25 12 51 ₂	33 20 12	452	12 27	7 14 28	Trafalgar (°341)	330 347 360	4	18	38 23	12	22	18 37	(*58) Option ASDA Grp.	140	3 Nav	Jan 17	11/2	_	7 <u>Jan</u> 12	Apr 14
Brit Com (°125)	110 120 130	15 8 2	26 19 12	31 25 20	2 4 10	7 11 15	10 15 18	Utd, Biszults (*347)	330 360 370	19 5	39 24	50 34 21	3 17	13 28	19 33	(°141) Option	160	5 Nev	10	17	21 New 1	24	25
Smithk Bolun (*540)	500 541 550	8	33	80 48	10	23	3 <u>1</u>	College College	600 650	52 10	14 75 43	94 62	14135	47 13 30 57	50 17 35 62	Gateway (*237) Option	240	_	u.	_	11 Dec		
Books (*269)	240 260 280	30 11 31 ₂	38 26 15	37 25	3½ 14	5½ 15 22	***	Ultramar (*325.)	700 300 330	29 41 ₂	22 44 26 15	40 52 34 20	12 10 36	57 8 19	62 14 24 39	Amstrad (°49) Barclays	45 50 460	10 6 34	14 11 50	18 14 57	4 0 12	6 8 20	7 10 25
B.P. (*299)	280 300 330	20	29 17 6	39 26 15	6 32	8 17 34	14 20 36		360	1				36		(*474) Blue Circle (*220)	200 220	14 29 16	52 32 32	35 39 20	33 4 11	45 8 14	47 11 20
British Steel (*127)	125 135	312	3½	612	2 01-	112	15	Option Brit Aero	500	Hov 83	Feb	Nay.	21 ₂	Feb _	May	British Gas	180	25	20	37 23	212	4½ 15	6
Bass	950	40	70	105	7		40	(576)	550 600	42 14	68 40	80 55	10	20 43	30 57	(°198)	550 500	81 ₂ 2	15 5½	u b	6½ 24	24	25
(*9E3)	1000 1050	1½	45 25	70 55	30 75	36 30 80	65 95	BAA (*336)	300 330 360	16	30 14	39 25	2 10 27	16 34	20 37	Dixons (*113)	110	10 6½	15	18 14	12	10	12 15
C & Wire (496)	460 500	40 11	67 42	87 65	14	17 34	24 30	BAT leds (*787)	750 800	58 27	77 57	118 90	16 38	40 40	45 75	Glam (*1406)	1350 1400 1450	107 75 50	164 130 100	167 135	23 22 70	35 57 80	65 87
(*1480)	1400 1450 1500	80 30 4	35 4	Ξ	2 5 -	3 7 30	Ξ	BTR (*431)	390 420	11 50 27	37 70 47 25	년 75 55	80 3 8	95 8 17	100 13 23	Hawker Sidd. (*648 I	650 700	37 16	62 42	75 50	30 65 ~	33 67	42 70
Courtaolds (°356)	330 360	37 10 12	45 24 12	58 37 21	2 5 26	15 30	8 16 32	Brit. Telecom	460 240	30 30	35	30 45 31	32 1½ 5	34 .4	40 5	Hillisdown (*269) Loorbo	260 260 240	24 12 23	34 23 28	42 28 36	99 20 6	12 22 17	15 25 20
Com. Linion (°442)	990 420 440	54 24 5	67 44 22	76 52 28	1 3 20	10 22	9 18 30	(*266)	260 280	13 4½	20 11	19	ע	84 19	91 ₂ 21	(*249) Midland Bk	257 300	12 40	47	 57	16	10	15
s.K.N.	360	25	43	_	l li	8	_	Cadhury Sch (*367)	360 390	23 9	43 28	55 35	12 31	21 38	24 43	(*326) R. Royce (*173)	329 160 180	17 185	- 27 134	- 30 17	15 3 11	- 始	- 8 16
(*383) Grand Met.	390 500	43	25 73	35 83	2	19 12	28 20	Guianess . (*598.)	550 600	. 55 21	80 45	90 58	4 20	15 25	20 35	Seins	100	11	16	18	31-	45	햜
(*542)	550 600	1½	19	83 53 33	16 60	30 63	40 70	GEC (*228.)	220 240	14	22 10½	31 18	41 ₂ 16	8 18	91 ₂ 19	(*108) THF (*506)	300 380 110	6 36 24 11	9 48 37	12 55 42	642 6 12	99	33 30 31
(.C.). (*1184)	1100 1150 1200	87 37 10	100 70	122 94	3 9 27	30 50	50 72	Hanson (*216)	200 220	2 <u>1</u>	23 11	32 18½	2	5½ 14	7 14½	Thors EMI (*730)	330 700 750	11, 59 330	20 822 52	27 112 80	28 22 47	30 26 49	33 32
Jaguar (*674)	600 650 700	78 37 17	125 97 70	153 127	7 15	30 52 78	48 67	(*501)	500 550	23 6	48 24	63 30	17 52	28 53	37 60	TSB (*106.)	100 110 120	9	15	16	3 7 17	19	41. 10 18
	700		70	103	2		93	P. & 8. (*599)	550 600	60 25	95 55	95 62	20 20	11 30	20 38	Vani Reefs (*579)	70 80	13	15	H	3	5	ıŝ
(Cagfisher (C291.)	300 330	14 15 2	29 20 9	40 29 18	17	19 44	12 21 44	Pittington (*212 f Plessey	260 220 240	18 7 30	23 14 30	- 22	14	9 20 4	11 22 -	Wellcome (*608)	600 650	40 20	65 40	90 63	20 60	40 70	45 75
Luiteoke (*295)	300 325	5	17	31	9 32	18 37	23	(268)	240 260 280 160	10	10 4 37	72	1	14	Ξ	2100 :	FT-9 2150 2	E IN 208 2	DEX (251 2	2171 900 2) 2350 :	MEG :	2450
Land Sector (*515.)	500 550	17 14	42 17	60 35	3 40	15	20 50	Predestial (*187)	100 200	30 12 3½	20 10	24 11	5 14	16 7 15	8 16	Oct. 105 Nov 133	58 93 112	23 60 80	7 30 55 90	3 20	1½ 12 26 30 140	1 6 15	1 ₂ 3 10
MAS	180	14	20	30	1	5	8	Racal (*222)	210 230 250	21 10 34	32 20 15	41 29	7 16 30	12 21 33	14 25	Jan 175		115	90 190	40 68	30 140	37	19 25 90
(*193): STC	200 280	2	10	10	9	13 14	15 18	RTZ. (*518)	493 500	37	현	- 65	7	18	- 5	0ct 15 Nov 35 Dec 48	25 52 63	45 72 85	100	נ פט	167 170 177	218	269 268 268
(°284)	300	3	28 16	35 23	20	23	30	Stol. & New	542 360	33 10	34 45	- 62	32 18	30 22	- 32.	Jan 57 Jan 58	75		120		187		270
Salesbery (°252)	240 260	15 1	23 12	32 20	3년 10	15 15	17	(*367)	390	33 20	45 33	47	18 30	33	42	October 19. 1	Otal C	cetra				_	
Shell Trans. (°436)	390 420 460	47 18 15	62 43 19	75 50 26	1 3 23	8 15 30	15 22 38	Teco (*190)	180 200	15 44:	25 13	29 17	4½ 15	7 16	9 17	Calls 21,314 FT-SE index *Underlying s	Calls 7	326	Pats :	13,57 00g d	9 ated e	фігу	unt)-

Offer 'seriously undervalues' Pearl

By John Ridding

PEARL GROUP, the UK life assurance company which is facing a £1.1bn hostile bid from Australian Mutual Provident, Anstralia'e largest life company, yesterday stressed its performance as an investment in urging ahareholders to reject the "wholly unaccept-able" offer.

In its defence document Pearl claims that it has pro-

vided "outstanding returns to ehareholders" and that it is innovating successfully within the changing UK life insurance market.

Mr Einion Holland, chairman, said AMP's offer "seriously undervalues Pearl" and
that "the quality of the company's earnings is rare and
ehould not be given up on
short term considerations."
But AMP said "it saw nothing new in the document" and
that it continued to regard its

at it continued to regard its 605p per share offer as gener-ous and containing a significant premium for control. One analyst said investors

were waiting to see an

VENTURE CAPITAL

The Financial Times proposes to publish this survey on:

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FINANCIAL TIMES

appraisal value for Pearl, which will estimate the present and future value of its businesses and which is currently being calculated by independent actuaries. Pearl argues that its record

of earnings per share growth an annual compound rate of 35 per cent between 1984 and 1988 - is the second highest achieved by the listed constitu-ent companies in the FT-A life assurance sector.

It also claims that "over the five years to September 28 1989, the day prior to the speculative rise in its price, Pearl's share price outperformed every other listed company in the life

AMP countered that shareholders knew about this record at the beginning of June when the shares were 394p. It described appraisal values as "a nice concept" hut said investors would continue to focus on dividend yield. Pearl rejects AMP's criticism

that it has failed to respond to the changes in the UK insur-

ance market and is over-dependent on declining industrial branch business - in which premiums are collected by a sales force.

It says that it has successfully introduced new products such as personal pensions and that the incorporation of single premium income into a measure for premium growth shows an increasing contribu-tion from its ordinary branch. With respect to AMP's UK record, Pearl argues that fig-ures from a Money Manage-ment suggest show that AMP



was ranked 50th out of 63 in terms of returns to endowment policyholders and 31st out of 32 for returns on annual premium personal pension policies. AMP replied yesterday that such sta-tistics were "of little relevance in a cash offer."

Sintrom selling subsidiary

SINTROM, the computer networks and services company, is negotiating to sell its Perex subsidiary to management for between £1.2m and £1.4m, writes Jane Fuller. Mr Peter Radford, Perex finance director, said 50 per cant of the financing would be equity capital and the rest would be horrowed against

assets. Details are still being negotiated. Perex, which manufactures

computer peripherals from a factory in Reading, made profits of £865,000 on turnover of about 27.2m in 1988. This

DRG holders show little enthusiasm for £697m hostile Pembridge bid

By Clare Pearson

MR ROLAND FRANKLIN'S MR ROLAND FRANKLIN'S
Pembridge Investments' £697m
bostile takeover offer
for DRG, the paper and packaging company, had attracted
valid acceptances in
respect of 3.47m shares, or 3.2
per cent, by the
first closing date on Wednesday.

This brings to a total of 33.1 per cent the number of ordinary shares now held by Pembridge or persons presumed to be acting in concert with it, or in respect of which valid acceptances have been

The cash offer is being

extended for an unusually short period - until October 27, instead of the more normal two or three weeks. Pembridge said this date had heen set in the light of volatile stock market condi-

Schroders, adviser to the Bermuda-based vehicle, added: "Excluding DRG, the sector has fallen by 15 per cent since we announced the bid last

We have to consider the possible effects of any further sharp falls on planned disposals of DRG's businesses." Pembridge itself now accounts for 29.5 per cent of the shares after raiding the market when it fell eharply on Monday. But it has said further share purchases would be "only one option under review" assuming it gains Office of Fair Trading clearance enabling it to carry them out.

DRG'e shares, which have remained below the 590p terms of the offer since Monday

morning, yesterday closed 2p higher at 582p.
Pembridge, together with persons acting in concert, additionally owns 34.3 per cent of DRG's convertible

Celltech seeking new chief executive

By Peter Marsh

CELLTECH, the UK blotechnology company, is seeking a new chief executive to replace Mr Gerard Fair-tlough, the head of the company since it started in 1980. Mr Fairtlengh, 59, could stay on until he is 65 but is keen to how out before then to spend more time on outside

interests.

No date has been given for when Mr Fairthough will stand down. He said Celltech was "looking around for a successor, from both inside and outside the company". He would not leave his job until a suitable person had been found. It is thought Mr Fairthough may be willing to stay on at the company in a non-executive role after he leaves the top job.

top job. Calltech, which last year made taxable profits of £125,000 on sales of £16.6m, is developing a range of blotech-nology-based drags including agents to treat cancer and arthritis.

Most of the company's sale Most of the company's sales come from contract manufacturing services and from joint development projects with other groups. It hopes to build up revenues from its own products in the early to mid-1990s and tentatively plans to go public around this time. Progress at Celltach has been slower than some observers had hoped and it is thought the company may look for someone to head it with a atrong commercial record in the mainstream pharmaceutical industry. One contender to replace Mr

Fairtiough is Mr David Gra-tion, 50, an ex-Boots executive, who has been chief operating officer at Celltech since 1987.

TransAtlantic and UAP agree rules to govern Sun Life stakes By Eric Short

THE TWO biggest share-holders in Sun Life Assurance

Society - TransAtlantic Holdsociety - Italianual Hold-ings with 29.8 per cent and Societe Centrale Union des Assurances de Paris with 22.9 per cent - have, through an exchange of letters, formally established their relationship with each other and their role in Sun Life.

This clears the path for a bid by either party for Sun Life, though the market does not expect a move in this direction to be made for some time.

The combined shareholding of TransAtlantic and UAP,

of Transatiantic and UAI, amounting to more than 50 per cent, made Sun Life proof against a hostile bid.

But their large stakes also But their large stances caused uncertainty and instability, particularly regarding Sun Life's future development.

Under the new arrangement, referred to as a "Texan Auction." Transatiantic, controlled by the extrovert South African entrepreneur, Mr Donald Gordon, agrees not to make a bid for Sun Life without UAP's

prior agreement.
TransAtiantic has the right at any time to require UAP to

acquire its shareholding at price set by TransAtlantic. If UAP accepts, then under Rule 9 of the Takeover Panel Code UAP would have to bid for the

rest of Sun Life's shares.
If UAP does not accept within 40 days, TransAtlantic would be required to acquire

would be required to acquire UAP's shares at the set price, again triggering a bid.

Although UAP does not need the prior approval of TransAtlantic before making a bid for Sun Life, the effect of the agreement is that neither TransAtlantic nor UAP could make a bid without the prior agreement of the other. This procedure also protects the interests of the other shareholders in Sun Life.

The agreement concludes the

The agreement concludes the saga of problems between Sun Life and TransAtlantic and last year's abortive attempt by Sun Life to form a cross-charehold-ing link with UAP.

Mr Peter Grant, chakeman of

Sun Life, welcomed the news that the two investors had reached this "amicable and helpful accord." The group now had a stable bese for growth both in the UK and in

The whole tenor of the exchange of letters implies that a bid from either TransAtlantic or UAP is very much in mind. However, both groups state emphatically that they have no current intention of imple-

menting the agreed procedures

that is neither has any
intention of making a hid.

UAP has indicated that it
intends to raise its holding in
Sun Life to 26 per cent, but has
not mentioned a time scale.

Both resumant Both groups seem content with the current position, where through board representation they are able to influence, if not control, the development of Sun Life. UAP has access to Sun Life's expertise in investment and product

development.

The news prompted a 60p rise in Sun Life's price to 1158p, with trading in its shares at 311,000 well above normal. This implies that the market is expecting a bid at some time from UAP, though analysts feel that UAP will writ mail Sun Life has estabwait until Sun Life has estab-lished itself in Europe.

See Lex

Sears Group

Seare Group subeidiary Broadstoner Holdings, for-merly Sears Engineering Hold-ings, reported pre-tax profits of 58.6m (\$4.7m) in the six months to July 31. Rental and other income totalled £100,000 (£200,000) and interest receiv able came to £6.5m (£4.5m).

The company said that the result related mainly to interest earned on surplus funds

lent to the parent group.

British Shoe Corporation, another Sears subsidiary, disclosed reduced pre-tax profits of £51.5m (£57.8m) from turn-over of £448.3m (£484.6m).

DIVIDENDS ANNOUNCED												
Current Date of payment payment	Corres - ponding dividend	Total for year	Total last year									
Cohen (A)int 8.6 Feb 7	-6	-	21									
Elevickint 0.2 Jan 10	0.15		0,45									
Fisher (Albert)fm 1.5 Jan 5	1	2.751	2.25									
Forward Group 5int 1 Dec 29	1	-	3.1									
Gerrard & Net	3	-	18.5									
Harding Group 5	1.1		2.75									
London & Assocint 0.05 Jan 2	0.15		0.4									
Recenterest	1.5	0.5	1.5									
River/Merc Geerint 13 Dec 29	1.2		6.2									
Sect Mort & Tetint11	0.9	. •	2.8									

Dividends shown pence per share net except where officewise stated. Equivalent after allowing for scrip issue, fon capital increased by rights and/or acquisition issues. SUSM stock. SSUnquoted stock, Third

Every step they take, every move they make,

In business, no one ever got one-up by

what the competition's doing.

Some companies rely on their

finger on the pulse and a wine glass to

And expect them to deliver a full day's work too. Assuming they can find the time after tying themselves up in knots for the sake of getting the low-down on the opposition.

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SHARE STAKES The following changes in company share etakes have been announced recently: ATP Communications: Mr AR Thirkhill, chief executive, has purchased 42,300 ordinary at 27%p, increasing his holding to 1.62m (12.6 per cent). Also Ms

ing the acquisition of Wright Oliphant, Hambros' holding has been reduced to 51.63 (51.79) per cent, and Guardian Royal Exchange Assurance's has been increased to 21.53 (18.66) per cent.

1.62m (12.6 per cent). Also Ms
K Waddington, a director, has
lifted her holding to 20,220 (0.16
per cent) with the purchase of
3,500 at the same price; Mr D
Newton, a director, has fifted
his holding to 7,550 (0.06 per
cent) with the purchase of 5,500
— again at the same price, C
Cadman, a non-executive director, has bought 7,200 for a holding of 0.05 per cent.
Atlas Converting Equipment:
MJ Gayin, a director, has sold MJ Gavin, a director, has sold 98,000 shares, reducing to the residual holding to 400,000 (4.95 per cent). JL Southall, also a director, has sold 250,000, for a reduced residual holding of

reduced residual holding of 500,000 (6.19 per cent).

Casket: York Nominees ('A' Account) has acquired 520,000 ordinary. The holding is now 7.38m (19.5 per cent). The beneficial company of the shares are: ficial owners of the shares are: Selective Investment (1.59m); Mr Michael McDonnell (795.535); Mr Frederic Hamilton (1.59m); WSGF International (1.59m); Edward Cook (795.535);

(1.59m); Edward Cook (795,535); Harry Turpin (700,000); and Vythi Menon (311,819). Central Independent Television: P Gardner, a director, has validly exercised an option to acquire 16,250 ordinary. Courtney Pope (Holdings): BR. Norris, a director, has disposed of 100,000 ordinary at 197%p, for a reduced holding of 965,188. (6.89 per cent).

(6.89 per cent). Cresta Holdings: Mr Thomas Dootson has lifted his holding to 3.48m ordinary with the acquisition of 50,000 (0.1 per

acquisition of 50,000 (0.1 per cent) at 80p per share.

Electronic Data Processing: Mr
RJ Jowitt, managing director, has bought 10,000 ordinary at 60p per share, lifting his holding to 1.04m (12,04 per cent).

Empire Stores: Gecos has raised its holding to 9.49m ordinary (24.17 per cent) with the acquisition of 150,000. Folkes Group: Caparo Investments has acquired 200,000 ordinary, increasing its holding to 1.14m (9.08 per cent).

cent).
Ford Sellar Morris: Mr IG Sellar, a director, holds 9.77m ordinary and has rights over a further 2.02m, for a total of 11.8m (27.4 per cent).

Frost Group: John Govett has bought 124,204 ordinary on behalf of a client under its discretionary investment management. The shares held by such clients total 2.89m (20.33 per

cent).
Garton Engineering: National
Farmers Union Mutual Insurance Society owns 100,000 ordinary and its subsidiary, NFU Mutual Management Company, owns 95,800. When totalled, this makes 5.28 per

Geddes Resources: Through a private placement, Northgate Exploration has bought 1.85m common shares and warrants to buy a further 1.85m. This gives it 8.7m (31 per

cent). Guidehouse Group: SJ Thorn has disposed of 5,000 ordinary at 47p per share, for a reduced holding of 1.8m (8.09 per cent).
Hadleigh Industries: Thornton investment Menagement has acquired 37,000 ordinary, lift. Hambro Countrywide: Follow-

(18.66) per cent.

Hampson Industries: Mr EL
Lattimer has given away
through certain gifts 202,160
ordinary, reducing his holding
to 5.66m (10.4 per cent).

Hartons Group: Suier has,
through its wholly-owned subsidiary, Longform, increased
its interest to 5.26m ordinary
(8.19 per cent) and 294,000 7 per
cent convertible cumulative
redeemable preference shares
(5.37 per cent).

(5.37 per cent). Heweixon: Magwest Nominees holds 430,000 ordinary (6.3 per Jerome (5) & Sons: Mr Richard Hugh Jerome, a director, now has a beneficial interest in 315,332 ordinary (4.21 per cent), a non-beneficial interest in 776,591 (10.39 per cent), and in trust 71,000 (0.95 per

cent). Kalon Kalon Group; Mr Leslie Howard Silver, a director, has Howard Silver, a director, has acquired 32,000 ordinary at 31p per share. His holding is now 33.34m (28.09 per cent).

Ketson: Lothian Regional Council Active Smaller Companies Fund has acquired 450,000 ordinary, lifting its holding to 784m (10.2 per cent). 7.84m (10.2 per cent). Lawtex: United Overseas is now interested in 645,000 (16.13

per cent) after the purchase of 100,000. Lucas Industries: 18.44m ordinary (10.84 per cent) have been transferred from Lucas Staff Pensions Trust and Lucas Works Pension Trust to Lucas Pension Trust.

Maltitrust: Aberdeen Trust has lifted its holding to 436,500 ordinary (10.05 per cent) with the acquisition of 20,000. the acquisition of 20,000.

NMC Group: Mr Crispin J

Barker has acquired 90,000

ordinary at 120p per share,
increasing his holding to 3.34m

(8.57 per cent). The shares are
registered in the name of Midland Bank Trustees

registered in the name of Mio-land Bank Trustees. Northern Industrial Improve-ment Trust: AH Kellett has given 12,926 ordinary to a fam-ily trust, for a reduced benefi-cial interest of 64,080 (5.25 per cent) and non-beneficial of 22 not 62 or cent). 76,000 (6.23 per cent).
Oceomics Group: EBC Nominees (Jersey) is now the registered holder of 6.27m ordinary

(5.7 per cent).

Osprey Communications: Mr Ron Sidaway, a director, has disposed of 155,000 ordinary at 38p apiece, reducing his holding to 505,657 (4.22 per cent).

Owl Creek Investments: CH Commercial Holdings has lifted its holding to 11.8m shares (14.92 per cent). Also Telfos Holdings has acquired 2m (2.64 per cent).

(5.7 per cent).

per cent).
Phoenix Timber: Mercurius
Gruppen, of Stockholm, has
acquired an interest in 1.11m ordinary (7.7 per cent).

Pifco Holdings: JM Webber, a director, has disposed of 9,500 ordinary for a reduced holding of 192,900 (8.46 per cent).
PML Group: Transamerican Express Financial Services has

acquired 100,000 ordinary, lift-

ing its holding to 286,500 (5.78 ing its holding to 10.13m (23.02 per cent). The registered holders are Wolverhampton Borongh Council, Midland Bank in the beneficial owner. Also Mr Herbert Maurice Berman has acquired 150,000 increasing his holding to 4 18m (9.51 per cent). acquired 150,000 increasing his holding to 4.18m (9.51 per cent). Record Holdings: Mr AA Taberner, a director, has acquired 29,000 ordinary at 22p per share, for an increased holding of 1.43m (5.54 per cent). Refuge Group: Athena, the French group, has increased its holding to 9.34 per cent. Pity Declars Mr. Michael J. Rep. Ritz Design: Mr Michael J Ban-croft, a director, has acquired

27,400 ordinary at 97p per share, raising his holding to 1.88m (20.8 per cent). River & Mercantile American Capital and Income Trust: National Rivers Authority Susense Account has reduced its holding to 17m capital shares

(45.3 per cent).
Scott & Robinson: Singer & Friedlander has disposed of 147,327 7% per cent cumulative convertible redeemable preference shares, reducing its holding to 1.44m (9.84 per cent). The shares are registered in the name of Sinjul Investments. S&F has also disposed of the same number of ordi-

nary.
Scottish, English & European
Textiles: Redbird Holding, a
Panamanian company, holds
300,000 ordinary (7.48 per cent).
Sintrom: Thomas Dalzell,
director has director, has acquired 50,000 ordinary at 87p per chare, increasing the holding to 6.07m

(59.4 per cent).
Smith New Court: Rothschild Group has acquired 300,000 ordinary, lifting its holding of voting shares to 8.88m (29.39

voting shares to 8.88m (29.39 per cent).

Spear (JW): The holding by PN Harris and KBS Crowhurst (Spear family trust) is unchanged at 812,154 ordinary shares, although the percentage stake has been diluted to 16.68 per cent (20 per cent) by the issue of shares for an acquisition. This clarifies a disclosure which was published in Share Stakes on October 13.

Share Stakes on October 13.
Telemetrix: Quail Investment has exercised its option to acquire from Titan Interna-tional 2m ordinary. Separately Titan has since bought 150,000 ordinary, for a direct and indi-rect holding of 55.74m (66.07 her cont) per cent).

per cent).
Thorntons: Mr Christopher
Paul Spencer has acquired
762,000 ordinary on a non-beneficial basis, for an increased
holding of 3.35m (5.32 per cent).
TR Australia: British Coal
Staff Superannuation Scheme/
Mineworkers' Pension Scheme Mineworkers' Pension Scheme has acquired 550,000 ordinary, lifting its holding to 5.55m

(12.01 per cent).
Union Square: AI Spencer has acquired 25,000 ordinary at 30p

acquired 25,000 ordinary at 30p per share for an increased holding of 7.81m (12.1 per cent) and AM Green has acquired the same number at the same price for an increased holding of 7.72m (12 per cent). Whitegate Leisure: Invest International Holdings, a Luxembourg company controlled by Isfina, the industrial holding company of the Italian Bonomi family, has acquired 1.07m further shares, lifting its holding to 7.97m (5.75 per cent). Wood (John D): Mr George M Pope, joint chairman and finance director, has sold 100,000 shares at 59%p per share, reducing his holding to 1.79m (23.22 per cent).

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1.79m (23.22 per cent).

Acquisitions contribute to Albert Fisher's 35% advance to £45m

underlying growth in the future," he added.

Mr Millar said he did not

In August, Fisher announced a £45m expansion via five acquisitions in the US and continental Europe, including shellfish companies in the Netherlands and a Georgia-

today announce the disposal of

its 57 per cent stake in Bay Financial, the US property company which is experiencing severe financial difficulties.

The sale comes two days

after reports that the US com-pany might be forced to file for protection from creditors

Bay's problems have increased during the two years

since Pennant Holdings, the

Australian mining, property.

and construction company,

THE RECEIVERS appointed on Tuesday at Talbex Green have received inquiries from several-

parties interesting in buying the company's aerosols divi-

Approaches have come from within the UK and from other

countries, Mr Roger Marsh, one of the joint administrative

under Chapter 11.

By Clay Harris

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ACQUISITIONS IN the US and continental Europe helped Albert Fisher Group, the food distributor and processor, lift pre-tax profits by 35 per cent to £44.97m in the year to end-August. On a pro forma basis there was underlying organic growth of 24 per cent, said Mr Tony Millar, chairman. "I look forward to continuing strong underlying growth in the The total European contribuabout 35 per cent of profits. The total European contribu-

tion to operating profits was some 64 per cent with the US Mr Millar said he did not expect an economic slowdown in the UK or elsewhere to have any adverse affects on the company. He emphasised the further benefits to come from the trend towards healthy eating, "which would significantly increase the volume of fresh produce consumed in the years ahead."

In August, Fisher announced some 64 per cent with the US making up the belance.

Reorganisations at Ziff, the US paper and plastic disposables subsidiary, which involved a 25 per cent reduction in staff, were now complete. These gave rise to a fixed paper of the full year figures. Fisher said the future of Ziff was now under review. under review.

Fisher has this month arranged a £150m multi-option facility. It has committed itself to a "frugal" approach to issu-

The US group's shares have.

fallen from \$9 to about \$1.50 on

Wall Street this year and they came under increased pressure earlier this week when the

company disclosed that the fair market value of the shares was \$6 compared with \$20 at the same date last year.

It has suffered from high gearing and long delays in the disposal of properties because of complicated average him.

receivers, said yesterday.

Mr Marsh and his Price

Waterhouse colleague, Mr Gor-don Horsfield, will shortly be

preparing a sales memoran-dum to send to serious con-tenders.

They plan to offer the entire year, it was specially designed division, comprising factories for the bulk storage and han-

complicated ownership

Pennant Properties.

and construction company, structures covering some of acquired a 50.9 per cent in the important sites in the port-Country and New Town Prop-

Albert Fisher Share price (pence) Jan 1989

Turnover was np at £830.6m (£536.1m) and basic earnings per share rose from 6.71p to 8.25p. The final dividend is 1.5p tomake 2.75p (2.25p) for the

• COMMENT There was nothing in these fig-ures, which emerged slightly

He denied that Bay Financial

was likely to file for Chapter 11

adding that the disposal of the stake would "leave us with a

nice clean company". Pennant Properties was

forced to make a £7.9m write-down in Bay Financial

last year and is expected to make a bigger write-down in the current 12 months. Mr Johnson said that the impact

of the Bay difficulties would be

largely offset by the revalua-tion and disposal of the group's London properties.

at Scunthorpe and Grimsby, as

a going concern. Management

at the latter plant have been

trying since April to put

together a buy-out.
The Scunthorpe factory is

likely to be more attractive to

that deprived its shares of a glamour rating after the stock market crash two years ago, just keeps on achieving superior rates of growth through its strategy of buying up usually family-owned corners of the highly fragmented fresh food services business. As a result it now commands some 20 per cent of the market in Florida, making it easily the leader, with all the consequent bene-fits. Its push for a bigger share of the West Coast market is but one part of its further plans. Just at the moment its geographical spread, and resul-tant—balance of currencies, together with relatively low borrowing levels, are a further attraction. Analysts expect earnings growth of at least 15 per cent this year, with pre-tax profits approaching £60m. On a prospective p/e under 11, the shares look solidly attractive.

ahead of expectations, to worry the Albert Fisher fan club. The company, defying concerns that deprived its shares of a

Pennant Props to sell stake in US company PENNANT PROPERTIES will erties and changed its name to head of Pennant Holdings, The stake in Pennant Proper ties was purchased from Brit-

ish & Commonwealth Holdings

which is understood to have paid up to \$30m for the stake in Bay Financial. Pennant Holdinga announced last June that it was planning to sell the hold-ing in the Pennant Properties. It is understood that discus-cions about a restriction of sions about a restructuring of the UK company are advanced but do not involve the disposal

dling of hydrocarbon propel-lants, which have largely

Mr Keith Moore, regional organiser for the GMB, the union which holds recognition

rights at the Scunthorpe plant,

said yesterday that his mem-bers supported the receivers' search for a buyer.

replaced chlorofluorocarbons.

of the entire holding. The Bay Financial holding has delayed efforts to find a suitable part-£749,621. Approaches received for Talbex aerosols division

Wyevale Garden Centres

the shares. His holding is now increased to 9.19 per

Gerrard & **National** reports progress

By David Lascelles, Banking Editor

GERRARD & National Holdings, the City of London discount house and financial services group, reported that interim profits this year were higher than last, though as is customary it gave no figures. The group said that the recent turbulence in the stock markets had caused considerable relativity in interest.

able volatility in interes rates. But with sterling remaining vulnerable on the foreign exchange markets, the company was not expecting any early fall in UK interest

Mr Brian Williamson, chair man, said the group had antic-lpated the rises in interest rates, and had made a profit in five of the six months in the period. He said he hoped that rates were now at a sufficient level to bring the economy into balance, but it would be "a long process".

The group declared an unchanged interim dividend of as finance director from Gil-

3p. Last year, the sharp rise in interest rates cut Gerrard's profits from £7m to £1.7m.

Capita considers sale of subsidiary

Capita Group, the public sector management consultancy floated on the USM in April, is considering whether to sell its temporary placement subsidiary to manage

The company said that need tiations were in progress with staff at PSC, the Birmingham based subsidiary which in 1988 incurred a pre-tax loss of £65,663 on fee income of

Mr Peter Williamson, the deputy chairman of Wyevale Garden Centres, has disposed of 420,000 ordinary shares, reducing his holding to 24.17

Mr CC Powell, the chairman, has acquired 360,000 of

Amstrad unveils board changes to answer main challenges

By Andrew Hill

AMSTRAD, the consumer electronics group, yesterday confirmed details of a board reshuffle linked to its new corporate structure.
The moves are aimed at

The moves are aimed at restoring growth and profit margins, following reduced profits for the year to June 30.

The group also announced that the closure of the audio division – its original business – would lead to the loss of 150 jobs at its plant near Southend.

Amstrad is to specialise in video division and video, digital television and satellite television receivers. On Tuesday, revealing

On Tuesday, revealing annual pre-tax profits more than halved to £76.6m, Amstrad announced that it was establishing a new company, Amstrad UK, to manage its British subsidiaries.

The principal board changes will answer the most important challenges for the whole

tant challenges for the whole group, including the manage-ment of overseas subsidiaries, reduction of costs and the con-

trol of inventory levels.

Mr Peter Thoms has joined

Peter Thoms: joins as finance director from Gillette

lette, freeing Mr Ken Ashcroft to become corporate finance Mr Ashcroft will be responsible for maintaining relations with banks and the City and for inventory and cost control.

Mr Alan Sugar, Amstrad's
chairman and founder, has been a vociferous critic of the City's treatment of the company's shares. They have fallen from 208p a year ago to 49p, and on Tuesday Mr Sugar threatened to take Amstrad private if the market did not value the shares more appro-

mriately.

Mr Ashcroft said yesterday
that Amstrad was already addressing inventory control problems, which led to a build-up of £325m of stock by the end of June, and was improving the analysis of indi-vidual subsidiaries costs. Mr John Benjamin has joined the group as manufac-turing director from Mars Corporation, while Mr Malcolm Miller, currently sales and marketing director, will con-

operations. Below the main board, Mr Barry Young, Amstrad Sales' managing director, is to head Amstrad UK, with Mr Richard

trol world sales and marketing

COMPANY NEWS IN BRIEF

BP NUTRITION has agreed in principle to acquire Tradigrain, a worldwide grain trader based in Geneva, for an undisclosed sum. BP Nutrition, based in Antwerp, manages the interna-tional nutrition business of the British Petroleum Co.

BURNS-ANDERSON has acquired the business of Capital Staff Services, a general employment agency with offices in Edinburgh, Glasgow and Belfast, for £1.6m cash. The agency had a turnover of £1.52m and pre-tax profits of £309,000 for the year ended April 5 1989. Net assets acquired are valued at some

W CANNING has disposed of its entire shareholding (5.2 per cent of the issued share capital) in Carbo for a cash consideration of £1.37m, realising a surplusn compared with book

CITY OF OXFORD Investment Trust net asset value per 5p income ordinary at September 30 was 60.2p (no comparison since the trust's capital was reorganised in February this year). Gross revenue totalled £940,000 (£463,000) and pre-tax profit soared to £834,000 (£367,000). After tax of £213,000 (296,000), earnings per income share were 3.11p. A second interim dividend of 0.9375p has been declared by the dir

CMB PACKAGING has acquired a controlling interest in Barusley Canister, a manu-facturer of tinplate decorative products, for an undisclosed

EXPLAURA HOLDINGS has agreed with a US-based cement company to examine the feasibility of building a cement plant at Lower Cove, Newtie in with the further develop ment of the limestone deposit

HOLBRUCK FASTENERS, industrial fastener and turned parts distributor, has bought Eastbourne Auto Productions, a manufacturer of its product

LYNX HOLDINGS: it is expected that dealings in the ordinary shares will begin on Octo-ber 26.

MERGER CLEARED: The fol-lowing acquisitions are not to be referred to the Monopolies and Mergers Commission -Rhone Poulenc's purchase of RTZ's speciality chemicals business; the acquisition by British Telecommunications of the data communications business of McDonnell Doug-

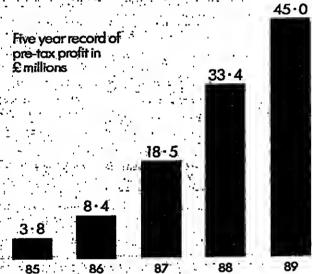
P-E INTERNATIONAL has purchased Westvries Computer Consulting, of Amsterdam, for an initial FIS3m (£898,000) with a further likely FIS2.76m. West-vries undertakes a range of systems development work, particularly for the Dutch steel

SPEYHAWK has through its subsidiary, Speyhawk Mount Row, completed the sale of two London properties developed with Reinhold. The buyer of the 130,000 sq ft of office space was Skandia Insurance Company. Speyhawk said the total selling price was about

TR ENERGY: Offers by Europa Minerals have been declared

হওৱা পুল্প । কে স্পত্ন প্রতিক্র নাম্পর্ক হিছে । বিশ্বসাধান কর্ম হল সংগ্রাহ 1111/ ALBERT FISHER

Yet another record year



Preliminary announcement of results for the year ended 31 August 1989

- Pre-tax profit up 35% to £44 · 97m
- Turnover up 55% to £831m
- Earnings per share up 23% to 8 · 26p

Dividend up 22% to 2.75p

The Albert Fisher Group PLC is a major international food service and distribution group operating in the United Kingdom, continental Europe and North America. Our financial objective is to increase earnings and dividends per share by an amount which demonstrates substantial real growth.

"The Board believes that healthy eating is a consumer trend which will significantly increase the volume of fresh produce consumed in the years ahead. Albert Fisher has been successfully pursuing this strategy, under its new management, since 1982 and is now well placed to fulfil its role as a worldwide

Tony Millar, Executive Chairman

If you wish to receive a copy of the annual report, please write to: The Company Secretary, The Albert Fisher Group PLC. Fisher House, 61 Thames Street, Windsor, Berkshire SLA 1QW.

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Professor David Stout Head of Economics

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NOTICE OF REDEMPTION

To the Holders of

McDONNELL DOUGLAS FINANCE CORPORATION

U.S. \$50,000,000 10% per cent Notes due 1992

NOTICE IS HEREBY GIVEN to the holders of the outstanding U.S. \$50,000,000 101/2% Notes due 1992 of McDonnell Douglas Finance Corporation (the "Company") that pursuant to the provisions of the Fiscal Agency Agreement dated 21st November, 1985 the Company has elected to and will redeem on 21st November, 1989 (the "Redemption Date") all of the Notes then outstanding at a redemption price of 101.5% of the principal amount thereof plus accrued interest to, but excluding the Redemption Date.

Payment of the principal amount of each of the Notes will be made on and after 21st November, 1989 upon presentation and surrender of the Notes with interest coupons due November, 1990 and subsequent attached. Such payments will be made in U.S. dollars, subject to applicable laws and regulations, either (a) et The First National Bank of Chicago in London at The First Chicago Clearing Centre, 27 Leadenhall Street, London EC3A 1AA or (b) at the Luxembourg office of Kredletbank S.A. Luxembourgeoise at 43 Boulevard Royal, P.O. Box 1108,

Coupons due November 1989 should be detached and presented for payment in the usual manner.

INTEREST ON THE NOTES WILL CEASE TO ACCRUE ON AND AFTER 21ST NOVEMBER, 1989.

Dated: 20th October, 1989

M-DONNELL DOUGLAS FINANCE CORPORATION

By: The First National Bank of Chicago London Office

Gerrard & National **HOLDINGS PLC** INTERIM STATEMENT

There were two increases in United Kingdom cleaning bank base rates in the first six months of our year. Rates rose from 13% to 14% on 24th May and there was a further rise of one percent on 5th October, the lest day of our half year. Despite these rises group profits are higher than for the comparable period last

During the last week turbulence in stockmarkets round the world has caused considerable volatility in interest rates. However, with sterling remaining vulnerable on the foreign exchanges, we are not expecting an imminent reduction in official short term interest rates.

The Directors have decided to pay an interim dividend in respect of the half year to 5th October, 1989 of 3p per share (1988: 3p per share) which will cost £1,144,344. The dividend will be paid on 6th December, 1989 to members on the regis at the close of business on 10th November, 1989. Transfer books will be closed for the day on 13th November, 1989. This year the interim statement is being sent directly to shareholders.

19th October, 1988

UK COMPANY NEWS

Shareholders give poor reception to Acsis and Wace issues

Polly Peck rights success beats trend

TWO MORE rights issues rights issues were announced flopped yesterday. Only 14.5 per cent of Acsis Group's £21.2m issue and less than 20 per cent of Wace Group's £44.6m cash call were taken up

In stark contrast, Polly Peck International's much larger \$283m rights was a runsway success, with nearly 97 per cent of the shares on offer

being taken up.
The poor results from Acsis and Wace reflected the weak equity market since their

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on September 7 and September

26 respectively.
However, shares in Wace, a pre-press services company, yesterday closed only 4p short of the 330p offer price while shares in Acsis, a marketing group, closed at 60p, compared with the 65p rights price. Polly Peck benefited from

the sharp rise in its share price after the \$875m (£557m) pur-chase of Del Monte's global fresh fruit operations was announced on September 7.

Polly Peck Intl. **Wace Group** Share price (pence) Share price (penca) 300 820 Rights price price 3300 Sep 1989 Oct

Although shares in the produce distribution and electronics company have also suffered in recent weeks, the early advance gave sufficient margin to achieve the high level of applications and allow the small rump of 37m shares to small rump of 3.7m shares to be sold on Wednesday at a 42p premium to the 245p rights

Sep 1989 Oct

Mr Ian Bruce of CCF Laurence Prust, underwriters to the Wace issue, said: We were pleasantly surprised to find out what the take up was." More than 100 sub-underwriters will now be asked to take up 80 per cent of their commitments. See Lex

NEWS DIGEST

Sharp rise at London Scottish Mortgage & Trust & Assoc

LONDON & Associated Investment Trust, a finance company, lifted taxable profits to £431,000 in the first six

months of 1989. The outcome compared with profits of £287,000 at the same stage last year, and was struck after increased interest charges of £181,000 (£98,000). Earnings per 10p share were up from

0.59p to 0.63p. The interim dividend is reduced to 0.05p (0.15p) but the directors promised a "more than compensating increase in the proposed final.

Bisichi Mining, London & Associated's 38-per cent owned

associate, also reported yester-day. Pre-tax profits rose from 272,000 to 275,000 in the six months to June 30 from gross income which rose from £178,000 to £239,000.

An extraordinary profit of \$40,000 related to the surplus on the sale of a joint holding with London & Associated in Southern Sound. Earnings per characteristics that it is the sale of t share before that item were 0.53p (0.51p).

Scottish Mortgage net assets at 168.7p

reported net asset value of 168.7p at September 30 com-pared with 182.8p a year earlier and 149.1p at March 30. Net revenue for the invest-

ment trust in the six months to the end of September was £7.79m (£6.59m) with earnings per share of 2.16p (1.83p). The interim dividend is being raised to 1.1p (0.9p).

Reebok ahead at nine months

Third quarter profits of Reebok International, a 81.9 per cent-owned associate of Edinburghbased Pentland Group, rose from \$61.99m to \$83.11m (551.48m) raising the total for the nine months to end-Sep-tember from \$219.51m to \$235.56m.

Turnover for the nine months totalled \$1.44bn (\$1.45bn). Net income for the period amounted to \$140,05m (\$130,28m), equal to earnings of

\$1.23 (\$1.14) per common share. Mr Paul Fireman, Reebok's chairman and chief executive officer, sald he was pleased with the performance for the third quarter and nine months.

The gains in earnings provided further evidence that the sales mix and controls now in place were continuing to improve the company's overall profit performance, he said.

Brierley stakes in **UK** companies

Sir Ron Brierley, the Antipo dean entrepreneur, has, through IEP Securities, a wholly-owned subsidiary of Indus-trial Equity (Pacific), beneficial ownership of 8.74m ordinary shares (12.67 per cent) in Hogg

Similarly he holds 26.96m ordinary (13.31 per cent) in BSG International; soma 37.73m ordinary (14.6 per cent) in Vickers; 4.89m ordinary (26.1 per cent) in Union Discount; and 1.66m ordinary (17.7 per cent) in Young Group.

Assets up at River & Merc Geared

Net asset value of River & Mercantile Geared Capital and income Trust 1999 was 69.71p per income share and 33.83p per preferred capital share at September 80 - advances of 13 per cent and 20 per cent respec-tively on the figures reported a year earlier.

Earnings per income share in the six months to end-September worked through at 4.28p (3.41p) and the second interim dividend is raised to

Craton Lodge in share swap for FTC

By Ray Bashford

CRATON LODGE & Knight, the financially troubled new product development group, is acquiring FTC through a share way which values the database multiching direct man base publishing, direct mar-keting and data analysis company at £27.4m.
The takeover is an attempt

by CLK to strengthen its finan-cial base through diversifica-tion, while it continues attempts to pull out of its product development business with the Soviet Union and other Eastern bloc countries which has run into severe

problems.

CIK is offering 341 shares for every 100 FTC ordinary, and 359 shares for every 100 FTC preference.

Full acceptance of the offer would result in the insue of 58.35m new CIK shares, representing a 10 fold increase in the its existing capital.

senting a 10 fold increase in the its existing capital.

Shares in CLK were suspended at 43p yesterday before the announcement of the offer. CLK has received acceptances for 67 per cent of the ordinary and 34.4 per cent of the preference capital.

FTC, in which Renaissance Holdings, the group specialis-

FTC, in which Renaissance Holdings, the group specialising in investment in small and medium size companies, has a majority shareholding, returned pre-tax profits of £2.7m in 1986 (£1.05m) on turnover of £29m (£11m).

CLK failed to dispose of the majority of its holding in CLK Marketing Services International, the subsiding operating in the Soviet Union and the Eastern Bloc, as proposed earlier this year. However, discussions about a saleare continuing. tinging.

The difficulties in this subsidiary beloed drag CLK into a pre-tax loss of \$555,000 in the six months to March 31. It expected a trading loss for the year, although at a reduced level.

Dolphin disposal

Dolphin Packaging has enchanged contracts to sell the freehold property and premises of Dolphin Packaging (Cheltenham) for £2.4m cash. The net book value of the site at December 31 1988 was

Rock dissidents' motion goes to vote

By John Ridding

SHAREHOLDERS in Rock, an industrial and motor trade products distributor, vote today on a motion by a group of dissident shareholders which would give them effec-

tive control of the company.

The dissidents are calling for the appointment to the board of four new directors and the removal of Mr Robert Justice, a non-executive director. If passed, this would give them a majority over Mr Oswald Dockery, Rock's chairman, and his two remaining colleagues.

The proposal has sparked a strong response from Mr Dockery, who claims that the proposed resolutions would give the dissidents control of the board without making an offer to shareholders or paying a premium for control.

He adds that Rock has already offered "reasonable representation" on the board to the dissidents and that the

hoard does not regard two of the four nominees as suitable. Mr Dockery has enclosed in a circular to shareholders a leta circular to shareholders a letter from Mr Charles Mitchell, a former director of Rock, criticising Mr Joseph Stephens, one of the four nominees and a director of WH Ireland, Stephens and Co, a Manchesterbased stockbroker.

The circular also criticises Mr Paul Thompson, the former chairman of County Potteries, a company in which Rock had an investment and which had one of its main subsidiaries put into liquidation.

Mr Stephens, who has co-or-

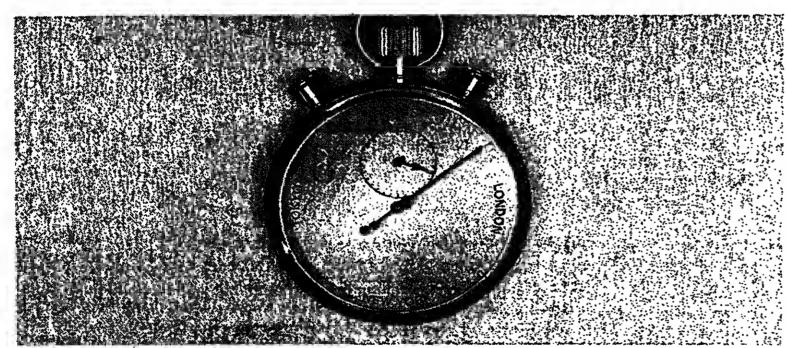
dinated the campaign by the four nominees, said that the criticisms were "personal and unwarranted." The nominees, who together represent over 10 per cent of Rock's shares, are dissatisfied with the company's trading performance.

They say that no dividend has been paid for seven years and that Rock's return to profit in the six months to the end of June 1989 was only achieved by taking profit on a property disposal above the line. During this period Rock reported pretax profits of £590,000 compared with losses of £44,000. Mr Dockery said that the board intends to declare a final dividend for 1989, including an

amount of 0.75p in respect of the first half.

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INTERNATIONAL TOYS AND GAMES

The Financial Times proposes to publish a Survey on the above on

27th October 1989

For a full editorial synopsis and advertisement details, please

Jonathan Wallis

on 01-873 3565 or write to him at:

Number One, Southwark Bridge Loudon SE1 9HL.

FINANCIAL TIMES

UK BUILDING CONSTRUCTION

The Financial Times proposes to publish this survey on:

20th November 1989

For a full editorial synopsis and advertisement details, please contact:

> Alison Barnard on 01-873 4148 or write to her at:

Number One Southwark Bridge London SEI 9HL

FINANCIALTIMES

ADDENDUM to our notice published on 10th and 13th October 1989 SCHRODER INTERNATIONAL SELECTION FUND SICAV TRAFALGAR FUND S.A.

R.C. B 8202 Registered Office: Luxembourg, 14, rue Aldringen

On January 31, 1989, the extraordinary meeting of shareholders of TRAFALGAR FUND S.A. [the "Fund") resolved to change the form and name of the Fund, as well as its duration into a "société d'investissement à capital variable" (SICAV), established for an unlimited period under the name of SCHRODER INTERNATIONAL SELECTION FUND (tha "Company"), of which TRAFALGAR FUND will become one of several classes of shares.

Bearer shareholders of the Fund will receive on or after 15th Bearer shareholders of the rund will receive on or after 15th October, 1989, against presentation of their old certificate(s) to BANQUE GENERALE DU LUXEMBOURG S.A., for each old share in the FUND, 1 new share in SCHRODER INTERNATIONAL SELECTION FUND - Trafaigar Class.

Shareholders are reminded that, in addition to bearer shares, both registered shares and non-certificated registered shares are available. Holders of registered shares receive ports and dividends direct from the Fund to field registered addresses. There is no charge for converting bearer shares to registered shares. If bearer sharesholders wish to avail themselves of the opportunity to shareholders was to avail themselves of the opportunity to convert their shares for registered shares at this time they should provide registration particulars and formally request registered shares when submitting their old certificates for exchange to:

BANQUE GENERALE DU LUXEMBOURG S.A. 14, rue Aidringen L-2951 LUXEMBOURG

Registered shareholders of the Fund will be sent a letter informing them of their new shareholding in the Company and how they may obtain the new certificate(s).

The Board of Directors

the manufacture of Toothill's

range and also increase facili-ties at the 8-acre site to allow

of furniture for retail and com-mercial customers.

The Adamas group, consisting of two principal subsid-

laries, was formed in 1986 and

is expected to report pre-tax

profits of £10m for the year to August 31, compared with £6.9m last year, on turnover of

Toothill has encountered difficult trading conditions dur-

ing the past two financial years as the result of changes

in the Government's safety

regulations for npholstery foams and tighter conditions

in the furniture retailing sec-

In the year to March 31, pre-

tax profits fell to £73,000 (£253,000) with invoiced sales of

Toothill shares rise

to Swedish takeover

205p as it agrees

RW TOOTHILL, the uphol-stered furniture manufacturer,

has agreed to a £4.7m takeover offer from Adamas, a Swedish financial services, engineering products and furniture group.

Shares in the the County

Durham-based company rose 205p to 655p following the announcement of the cash bld

of 675p per share.
Adamas has acceptances from shareholders, including two directors, for 51.1 per cent

of the capital. Although the offer is for all the remaining

shares, the Swedish group intends to retain Toothill's

market listing.
Mr Alan Walker, who heads

the international operations of Adamas, said the acquisition

will provide the company with its first international base for

expansion of furniture manu-

facturing operations.

Adamas plans to continue

£3.07m, including an excep-

tional profit on sale of shares

economic climate.

Sale to as few parties as possible preferred

past year.

Family seeks buyer for Walter Alexander

family-controlled Scottish industrial group with interests ranging from coachbuilding to sleeping bags, is looking for a buyer of the businesses— either in whole or in part.

The state of the s

It announced yesterday that following a strategic review, the board believes that the businessas will make more rapid progress in achieving their plans under new owner-ship." The news provoked en immediate jump in the share

price from 115p to 146p.

The announcement comes only a year after Mr Alan Cole

prepared for

IN SPITE of economic

slowdowns and high finance

costs, first half profit from A Cohen rose 11 per cent, and the third quarter has held up rea-

sonably well. However, directors stressed

that it would be "incautious" not to be prepared for a further

turnover rose 37 per cent to £51.59m (£37.54m) mainly as a

result of high metal prices, and pre-tax profits worked through

at £2.13m (£1.92m).
Principal activities of the

group are the manufacture of

uon-ferrous metal ingots and

the reclamation and trading of

Earnings rose 26 per cent to 76.6p (60.6p), benefiting from a

lower tax charge in Australia

and the reduced number of shares in issue. The interim

dividend is lifted to 6.6p (6p).

Harding held back

by distribution arm

Problems in its distribution division pushed USM-quoted Harding Group into decline in

the first half of 1989, with pre-

tax profits at £521,000, com-

Turnover from distribution

rose to £10.84m (£8.21m), but

maintaining the share of a declining market was at the

expense of margins: the full

extent only became apparent

at the half yearly stocktake,

explained Mr Dennis Harding, chairman, Benefits of the two

pared with £574,000.

recyclable materials. ..

-

ES

In the six months to June 30.

A Cohen

slowdown

WALTER ALEXANDER, the joined the group as chief executive, having previously been a main board director at Christian Salvesen. Yesterday, he confirmed that the decision to find one or more buyers for the group's interests reflected a desire by the Alexander family to cash in their holdings. He said, however, that he did not know what had changed the family's attitude over the

> According to Robert Fleming, advising on the transac-tion, the family own about 60 per cent of the shares. The holdings are fairly diverse, but

> > **NEWS DIGEST**

The flooring division lifted sales to 53.24m (52.46m), and

raised profits by lifting its share of the diminishing house

building market, and selling

elsewhere.
Mr flarding added that moves were being made to reduce gearing and lift profitability, including the recent sale of the lossmaking heating

spares business for £590,000. Further rationalisation and cost reductions were in hand.

Earnings were 2.37p (3.21p); the interim dividend is beld at

Downiebrae in black

Downlebrae Holdings, the Glas-gow-based steel profile and pipe flange manufacturer, yes-

terday announced a sharply

improved interim performance. In the six months to June 30,

the group reported taxable profits of £278,000 - compared with a deficit of £183,700 in the

corresponding period of 1988. The latter figure was struck

after an exceptional debit of £380,000 relating to capital losses on trading of fixed

income bonds together with

Directors attributed the increase to "improved performance" and greater interest

legal and professional fees.

with £278,000

there are apparently two fairly substantial blocks belonging to the immediate families of the group's chairman and deputy

Mr Cole said the preference was to sell the company's interests to as few parties as possible — and, subject to price, if one buyer wanted to take on all five divisions that would be the best solution.
In the announcement, the

company said that it had "from time to time received informal approaches" and was now having discussions with various suitable industrial partners.

working capital following the

fire a year ago at Falcon Cycles, has made a 30 per cent

In the six months to July 31

1989 turnover of the group,

with interests in grass-cutting machinery, packaging and

bicycles, rose 26 per cent to £23.7m (£18.78m) while operat-ing profit moved ahead 32 per

But interest charges at £579,000 (£6,000) meant the pre-tax profit was pulled down to £547,000 (£923,000). A split of the pre-interest surplus showed

specialised print and packag-

ing £783,000 (£530,000), equipment and services £1.06m

(£1.04m), and cycles loss £568,000 (£640,000).

Mr Harold Cross, chairman, said Falcou had traded profit-

ably since June and working

capital was steadily decreas-

ing. An interim insurance claim for loss of profits

because of the fire was under

negotiation. With encouraging growth

prospects in the other busi-

nesses satisfactory progress

was expected in the second

Earnings fell to 0.41p (0.62p); the interim dividend is 0.2p

half, he added.

cent to £1.23m (£929,000).

dent in profits at Elswick.

Yesterday, Flemings said that "a few approaches" had been made for the group as an entity, but more had come for individual divisions. The advisers added that the possibility of demerging the group to facil-itate bids for the separate divisions had not been ruled out, nor had possible management

There are five main divisions within Alexander: filtration, home textiles, coachbuilding, DIY distribution, and liquid fuel distribution. If the com-pany was sold in parts, Flem-ings suggested that the filtra-

the most significant sale. This was the largest profits contributor in the year to end-March, making £1.83m at the trading level - when group pre-tax profits overall declined 63 per cent to £2.39m. This performance compared with a £1.14m loss in textiles, and a

tion side would probably form

building side. In profit terms, the other two divisions are relatively small.

Alexander moved to the main stock market in Septem-ber 1987 after 11 years trading

on over-the-counter

£1.35m profit on the coach-

New team in command at Spong as directors resign

By Clay Harris

TWO DIRECTORS, including the former chairman, bave resigned from Spong Holdings, the former mini-conglomerate which was rescued in May by a consortium led by Hillsdown Investment Trust.

The departures of Mr Stephen Berclay, who had already banded over the chairmanship but remained as a non-executive director, and Mr Walter Goldsmith leave the new team at Spoug, led by Mr Paul Lever, in full command. Mr Barclay, who will remain as a part-time business development director, vesterday described the changes as a "perfectly natural evolution."

Spong plans to concentrate on the manufacture of housewares and retail display units Since the beginning of the year, it has sold Beau Brummel, a school uniform company: Castles Wisehouse, another clothing concern; and Spong Print, an Essex-based commercial printer.

Subsidiaries drag Forward down

Forward Group, a USM-quoted company serving the electron-ics industry, experienced a 46 per cent reduction in pre-tax profit in the half year ended July 31 1989.

The drop was attributed to two subsidiaries, Technograph Microcircuits and Silicon Microsystems, which did not perform up to expectations. They are being restructured with a move to a new manufacturing facility in Portsmouth, and Technograph's Bracknell

property will be sold.

Pre-tax profit worked through at £384,000 (£717,000) from sales little changed at £4.56m (£4.5m). Earnings were 3.4p (6.3p) per share. The interim dividend is maintained

at 1p.
The Bracknell property was bought for £2.2m cash at the end of August, financed by short term borrowings. It is being sold on to Rosehaugh for nearly £2.54m cash and the borrowings will be repaid.

Hunting buys rest of Canadian oil pipeline By Jane Fuller

HUNTING'S subsidiary, Gibson Petroleum, has paid C\$11.25m (£6m) to purchase the other half of the Provost Crude Oil Pipeline, which was constructed as a joint venture.

The 80-mile pipeline, comprising a 40-mile eight-inch section, three six-inch seg-ments and five pumping sta-tions, runs into Hunting's biggest terminal at Hardisty, Alberta.

Mr Richard Hunting, deputy chairman, said that the remaining 50 per cent of the Provost pipeline had been bought from Renaissance Energy, Gibson's joint venture. partner, which wanted to release cash for exploration.

The pipeline, completed in December, is averaging a vol-ume of 17,000 barrels per day and should reach its full capacity of 30,000 barrels per day within two years, subject to the drilling of successful development wells.

Rex Williams

Rex Williams Leisure has acquired CT Leisure (Leicester) for a nominal sum.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually hald for the purpose of considering dividends. O'field indications are not available as to whather the dividends are interine or finals and the subdivisions shown below are beard mainly on last year's timestables.

Regentcrest to £1.54m A CHANGE in its accounting est on development loans, policy concerning interest on development loans depressed where development had not yet development loans depressed begun, were written off as the result at Regentcrest in the incurred. Previously it would

£4.85m (£4.95m).

Accounting change holds

year to April 30. The property have been capitalised. investor, developer and dealer reported pre-tax profits of £1.54m, which would have been planning permission for more £4.04m under the previous than 70,000 sq ft of lettable practice, writes Katrina Lowe. office and retail accommodaoffice and retail accommoda-The result compares with tion. The development is being undertaken as a joint venture with Finlan Group, with a completed value of £50m

The board also warned that The board plans to seek profits for the first half of the shareholders' approval to current year were likely to be disappointing, because of the

acquire its own shares.
A final dividend of 0.5p has been recommended for the In the results under review, year, against 1.5p previously. Earnings per 10p share came to in line with new accounting procedure, some £2.97m inter- 2.07p (4.88p).

received from the group's increased liquidity, now in excess of £4m. Turnover totalled £790,000

(£698,000). Tax took £62,000 (nil) leaving earnings per 10p share at 1.23p (losses of 1.05p). There is again no interim dividend: the last such payment was

Interest charges dent profits at Elswick

acquisitions in April will not Heavy interest charges needed be significant this year. to finance excessively high

Trace Computers on target with £1.71m

Trace Computers yesterday unveiled pre-tax profits of £1.71m for the 12 months to May 31 1989 - matching the estimate in the prospectus for the software house's placing on the main market in June.

The outcome, which showed a rise of 67 per cent on the previous year's £1.02m, was achieved on turnover of £9.81m (£6.23m). Earnings per share worked through at 9.96p (5.94p).

The following changes in company share stakes have been announced recently: ADT: Laidlaw Transportation now holds 253.1m common shares (29.4 per cent). Also Mr MA Ashcroft has exercised options over 1.1m shares and has sold 260,000 US depository receipts at \$33 apiece and Mr DW Bates has sold 118,188 com-

mon at 2010 per share.

Addison Consultancy: Virtus has acquired a further 500,000 ordinary, lifting its holding to vices has bought 300,000 ordi-

SHARE STAKES

17.5m (26.04 per cent). Aitken Hume International: Fiduciary Management Sernary bringing its holding to 4.64m (9.66 per cent). Albion: Mr JM Sharman, a of 9.99m ordinary and 15,000 £1 preference shares.

director, has disposed of 89,000 ordinary, reducing his holding to 100,500 (2.68 per cent). Ash & Lacy: Wesleyan & General Assurance Society has acquired 70,000. Bryant Group: JA Rntledge, a director, has ceased to have a non-beneficial interest holding

Anglovaci Limited

Financial year ended 30 June 1989

Group earnings grow by 26 per cent and dividends by 17 per cent

Over past five years, earnings rose by average of 28 per cent and dividends by

-19 per cent annually - ---

Group exploration costs rise to R80 million

Anglovaal Group managed companies	1989 R million	1988 R million	Percentage change	Dividends and earnings (cents per share)	198	39	190	88
Turnover	7 413	6 054	22	Dividends Earnings	70 4 20	50 55	65 3 35	50 95
Earnings Total assets	909 7 684	740 6 704	23 15	Source of earnings	Rm	%	Rm	%
No. of employees	85 000	84 000		Gold mining Other minerals and metals	34,4	19 17	32,8	23
Group consolidated results	R mulion	R million	·	Construction and electronics Diversified businesses Dry food and beverage Frozen food	31,6 10,7 31,1 23,8 24,4	6 17 13	14,4 7,0 29,1 23,0 19,1	10 5 20 16 13
Turnover	4 803	3 913	23	Packaging	28,3	16	22,1	15
Earnings	183	145	26	Other	(1,7)	(1)	(2,2)	(2)
Dividends	33	28	17		182,6	100	145,3	100

New investments included an additional 5 per cent of **Associated Manganese** Mines' ordinary shares, the entire equity of the Lavino chrome mine, 29,9 per cent of North Sea & General's ordinary shares and 100 per cent of its convertible unsecured loan stock, and a 41,6 per cent interest in AA Life Assurance Association.

Major new industrial investments included the purchase of the business of Mooi River Textiles, and Siltek's acquisition of 40 per cent of M&PD Electronics and 25 per cent of **Q Data**. Since the year end, Consol has acquired the entire equity of The Goodyear Tyre and Rubber Company, Siltek bought 76 per cent of the local operation of US-based Hewlett-Packard and has made an offer for the remaining percentage of M&PD Electronics, while Grinaker Holdings has made an offer for a JSE-listed cash shell into which it plans to

reverse its restructured electronics interests and rename Grintek Limited.

■ The collective distributable profits of the Group's four gold mines -Hartebeestfontein, Eastern **Transvaal Consolidated** Mines, Loraine and Village Main Reef - rose to R231 million (1988: R204 million), while total dividends declared were R225 million (R208 million).

Associated Manganese Mines' earnings for the first six months to 30 June at R86,7 million were 387 per cent higher than for the corresponding period of 1988.

■ Exploration expenditure totalled R80 million, of which R38 million was for mineral rights. The current year's figure is expected to rise to R125 million, of which R8 million is for Oribi and R93 million for **Sun** (both gold projects in the OFS). To date, R23 million and R140 million has been spent on these areas respectively.

Anglovaal Industries' earnings rose by 17 per cent to R164,6 million and its dividend was raised by 20 per cent.

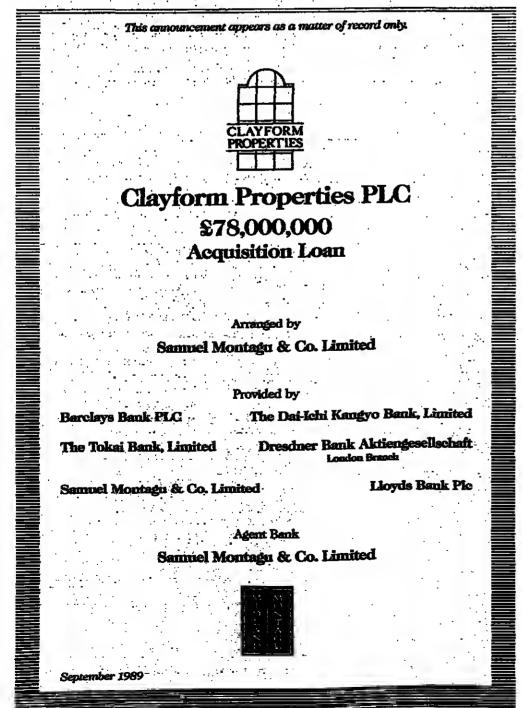
The current year's results will depend on the economy, the rand prices received for gold and other metals, the inflation rate, and improved productivity and labour relations. Nevertheless, Anglovaal expects to increase its consolidated earnings, particularly with a full year's income from recent acquisitions.

Basll Hersov Chairman

18 September 1989



The Company's annual general meeting will be held at Anglovaal House, 56 Main Street, Joha at 09:30 on Friday, 10 November 1989.



TECHNOLOGY

he idea of selling Irish moules marinière to France might seem far fetched. But not to a group of shell fish farmers in Bantry Bay, West Cork, Ireland. When we first suggested the idea we could hear the French guffawing from here," says Desmond Boy-lan, Marketing Director of Ban-try Bay Mussel Products, "Now we are exporting more than 30 tonnes of moules marinière to France per month.

Bantry's exporting success depends mainly on a breakthrough which, for the Irish industry at least, has revolutionised the way mussels can be packaged and transported. One of the cardinal rules of eating mussels is that they can only be consumed when fresh or pre-cooked. They cannot be

But in Bantry mussel pro-ducers have invented the fresh frozen mussel, which can be kept in its packeted condition for up to eight months. Like all truly great ideas, the process is a simple one. First, the mus-sels are bred. After harvesting, they are put in a purification tank with circulating ultraviolet water, for 24 hours. After wards they are graded for size and cleaned, and the byssus (the beard by which the mussels cling to rocks, ropes or each other) removed. The mussels are vacuum packed (while still alive), which seals them shut, and then frozen.

The vacuum packing is the heart of the new process. "It's basically the same principle as freezing peas or fish in as fresh a state as possible," says Boy-lan. "That way the flavour is retained. With our new method it not only means that you can freeze the mussel and keep it for an extended period, it also seals the juices which give tha mussel so much of its flavour inside the shell. All the cook has to do is to open the vac-num packing and empty the mussels into a saucepan and

steam or boil them.*
The Bantry mussel producers argue that their fresh frozen product is more flavoursome than the fresh article - Kieran Cooke tastes fresh-frozen mussels that have proved an exporting success



Bringing in the catch at Bantry Bay

An Irish recipe for French cuisine

the consumer, has probably been out of the sea for at least 48 hours. The company adds the ingredients for moules mar-infere – white wine, hutter, parsley and onions – into its vacuum packed mussel

The French seem to approve. Davigel, the French food company, is marketing the Irish mussels in France. The company was recently awarded Le Torque d'Or, the gold medal for innovation and excellence, at the International Food Fair in Paris. The Irish moules marinière will soon he available

through a British supermarket chain. They are also exported to the US. The fresh frozen process is

being patented in 23 countries. The company expects to export 1,600 tonnes of mussels, worth I£2.25m (£2m), this year. There are hopes that the new freezing process will lead to growth in the Irish mussel industry. More than 600,000 tonnes of mussels are grown in Europe each year. On average there are 70,000 mussels to each tonne of rope grown mussels (where the mussels are grown on long lines suspended from buoys) and 40,000 per tonne of the heavier ground grown variety (found on the sea bed). The market is growing rapidly. "People are beginning to realise just how nutritious mussels

are," says Boylan.
Dutch farmers produce large amounts of ground mussels. While big factory ships are able to scoop up these mussels and process them, the product takes a long time to grow and often has sediment in its shell. Spain is Europe's biggest producer of rope grown mussels. In the early 1950s only 300 tonnes of mussels were grown off the coast of northern Spain. Now the Spanish harvest

270,000 tonnes of rope mussels

The Irish are hoping for similar growth. The industry involves heavy work, often in harsh weather conditions. Michael Carroll is one of 60 mussel farmers in Bantry Bay. You have to check your lines all the time. Make sure the buoys are not sinking. Sometimes the wind can cause your lines and the mussels on them to sink to the bottom."

There are more than 12 separate operations in culturing and harvesting mussels. Mus-sel spat, about the size of a match head, are gathered from the rocks. In the nine months to harvesting, these will increase in size about 30 times. The spat are loaded, by the thousand, into long net stock-ings which are suspended downwards into the water.

After about three months the mussels, now increased in size, are brought to the surface and "tinned" - reloaded on to a series of fresh lines, with paces left at intervals to allow room for growth. After six more months the lines, heavy with full-grown mussels, are hauled to the surface. The mussels are then cleaned and bagged, and taken to the factory for further processing. "A constant exchange of clean water is essential," says Carroll. "Pollution, infestations of whelks and startish and the wind are our main enemies."
Bantry's mussel breeders are

hoping to defeat the wind hy anchoring lines to the sea bed. Occasional infestations of other sea life is something the mussel farmers have learned to live with. But polintion is another matter.

Hints by the Government of reopening the Whiddy oil ter-minal in the bay, where an explosion 10 years ago killed 50 people and caused widespread pollution, has created anger in Bantry. We have a great opportunity to be the leading rope mussel producers in Europe, says Carroll. "We have perfect breeding condi-tions. We have developed the technology. As long as pollu-tion doesn't ruin it all."

The precision design that broke the mould

John Griffiths describes Rover's new five-axis machining tools

R over Group will launch a car within the next two years which is partially made from a single steel pressing. The cides of the control of th pressing. The sides of the car, from rear to front bumpers. will accord exactly to data entered by the car's design team at Canley, 50 miles north of Rover's pressings plant in

It will be dimensionally exact, says Howard Wyman, director of tooling operations and overall manager of the plant. The huge dies that stamp the the car bodies will be made by computer numeri-cally controlled (CNC) cutting and drilling machines working from the same database, without human intervention or

modification. More imperiantly, according to Wyman, the complicated-machining processes — which sculpt the billets of steel into the male and female parts of the press tool - will be carried ont by CNC machines working along five axes. They will be matched with computer software developed by Rover Group and Prime, the software and computer services group formerly known as Computer

The time-honoured, and time-consuming, method of creating the dies using cutting and drilling machines working along only three axes — requir-ing a great deal of detailed sur-face finishing, measuring and checking — is rendered obso-

lete by the new processes.

The machines are close to being fully operational at Swindon, as part of a £17m investment programme involving new equipment in the toolmaking complex of the press ings plant. The plant has 3,000 employees - 1,000 in the tool-making complex - and makes pressings for Honda, Jaguar and Renault as well as Rover. The tool complex investment forms part of a £50m overall investment programme at the

Swindon pressings plant.
"We think we're the first in the world with such processes

quent visitors to the facility, have found no reason to disagree. Honda of the UK will use Swindon-supplied bodies based on the new processes once its own 360-acre car assembly plant is fully on stream. Honda says it is impressed by the higher qual-ity standards which the new

processes offer. A central element to quality A central element to quanty is the ability of the five-axis cutting tools to be manipulated through any plane while following even complex double curvature paths. They can be used, for example, to cut out the shape from which a car roof will be stamped.

Instead of being restricted to the three axis machine's 8m-10m width, which requires hundreds of passes to cut the die and much subsequent grinding and emosthing of grinding and smoothing of ridges, the Rover/Prime system uses a contour-following cut-ting edge up to 10 times wider. Fewer passes and less finishing

work are also required.
Two initial problems with
the five-axis equipment have been worked out:

"Clash-detection" has been

built into the software. This prevents a die being designed which could interfere with the cutting equipment during machining;

Microchips which state both identity and wear-life have been built into individual tools.

This guards against the risk of CNC machinery selecting the wrong tool or using it for too

long.

The new processes, says
Wyman, represent the culmination of a computerisation programme at Rover lasting nearly seven years. Every aspect of the development and production of a car, from ini-tial on-screen "sketches" to the design and production of tool-ing, is driven by one "master"

ment is not an entirely new invention. What Rover and Prime are pioneering, says Wyman, is its application to such complex shapes as a whole vehicle side. The controlling software, says Wyman, "is many times more compli-cated than that associated with three-axis machining." While Wyman acknowledges that, in wyman acknowledges that the terms of final production tooling, "we haven't quite got all the bugs out yet," the software has been developed to the point where Prime is starting to market it to other manufac-

Wyman stresses that the tool's value to Rover is primarily in achieving higher standards of body quality. Time savings of at least one-third in the tooling production process have also been identified: "It have also been mentaled. It means that we are moving away from producing tooling needing significant try-out periods and other forms of experimentation. It means that we can completely reorganise our thinking on the way we produce tools. We can plan produce tools. We can plan them so as to go through and do more quality development.

We can leave final tooling until a later stage, after any updating or modifications have been put into the car that the designers might want; and we can make much more easily and quickly soft tools of complex shapes to prove the com-puter model. The design modi-fications can go into the soft tooling and the theoretical soft-

implicit in the process, he admits, is the "de-skilling of the tool room." The occupants there have regarded them-selves as elite among car industry work forces. Even a few years ago this would have been a recipe for confrontation. Now, retraining is taking them out of tool-making into overseeing and programming of the tool-making machines. "I believe that we must now have about 50 per cent of the world's atabase.

Five-sxis tool-making equip programmers, says Wyman.

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Escape from outside interference

AN ENCLOSURE that can be sealed against leaks of radio waves is attracting attention as an inexpensive way of pre-venting electrical interference between machines.

The enclosure has been 18-storey building in Basingstoke, Hampshire. It prevents a radio transmitter from inter-fering with neighbouring elec-

Radio-frequency interference between equipment has long been recognised as a military problem when packing high-powered systems into the confines of a fuselage or a

The enclosure's designers claim that it can achieve the thousand-fold attenuation of radio noise demanded by mili-tary specifications at a frac-tion of the cost.

The question of electro mag-netic compatibility is being raised in the civil sector, with such worrying stories as radio signals locking cars brakes and radiation from an electrified railway penetrating com-puter operations.

Spacetrekker Systems has developed a patented method of assembling a rugged euclo-sure which seal the radiation either inside or out. It was invented as a way of assembling a lightweight enclosure room, a caravan body or a commercial van. The way it is put up gives an intrinsic scal.

The inventor, Peter Bobath,

patented it as "a device for joining panels." A mechanical joint fixes panels at right-angles in a converging grip. This tends to tighten rather than loosen under vibration. Cast metal corners, bolted in place on the inside, complete the

Bobath tells how the com-pany tested the enclosure on the track used to evaluate mil-itary vehicle suspensions at Chobham, Surrey. The enclo-sure survived without warping but the chassis supporting it cracked. John Carpenter, the engineering director, has explored various combinations of plastic, laminated and composite panel, joined by polymer or metal extrusions.

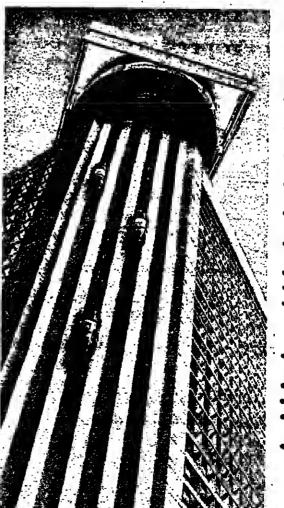
Some combinations have been tested by Fulmer Research Institute to find the point of failure. If the panels are too rigid they tend to flip out of the mechanical joints.
"It's a technical product and you've got to have to answers," Bobath says.

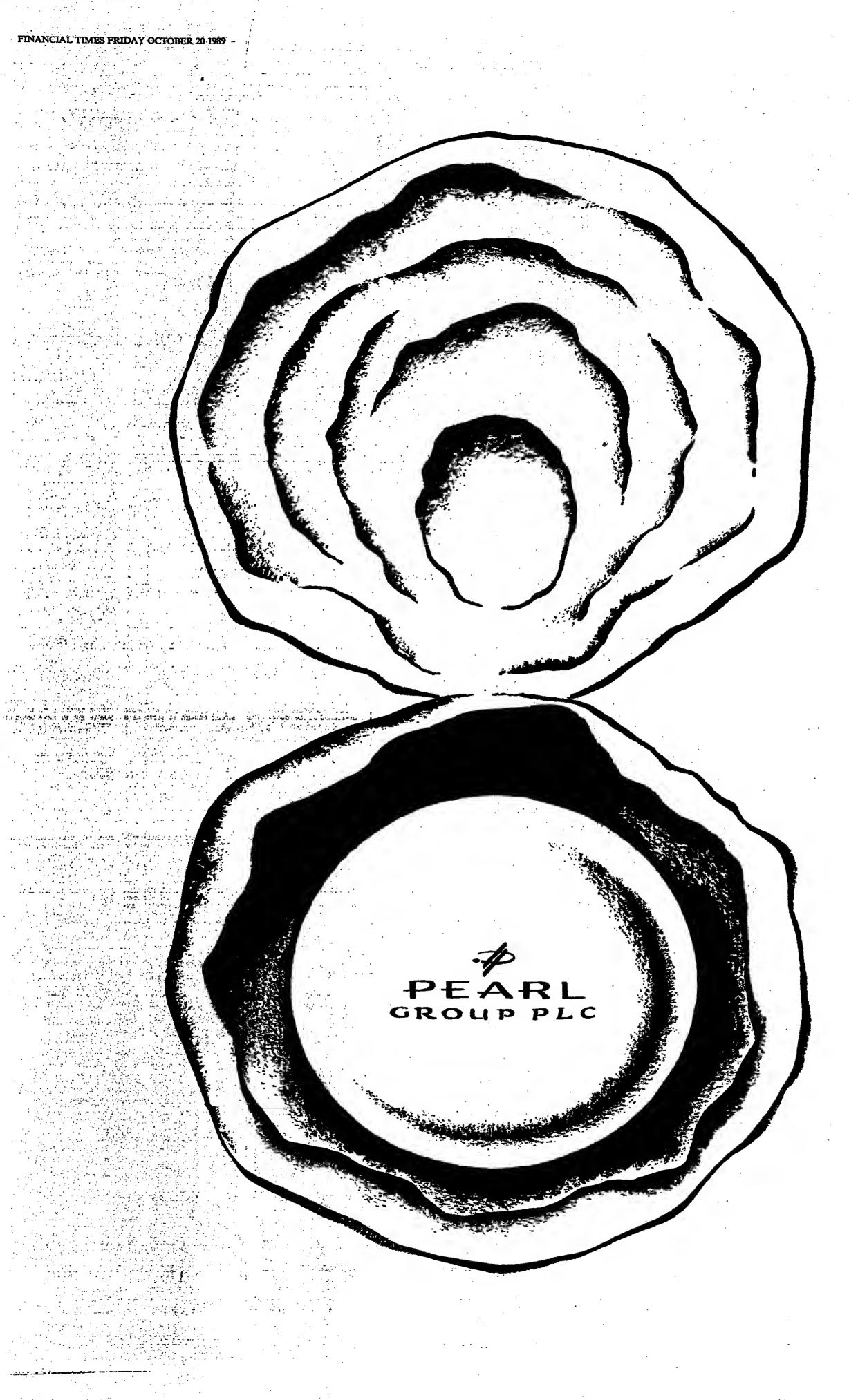
One UK manufacturer plans to use Spacetrekker to enclose a nuclear production tool for microchip manufacture. For electro-magnetic and radio-fre-quency isolation, the enclosure consists of aluminium framework and panels joined with metal-mesh seals. This forms a continuous electrically conduc-tive surface at a fraction of the cost of customary screening

techniques.
Bobath believes the enclosure will open a new market in assembling the kind of inexpensive test rooms which industry will need to examine its electrical products for their capacity to senerate unwanted capacity to generate unwanted emissions, and to study their vulnerability to "electrical pol-

David Fishlock

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TOTAL SALES

THE PROPERTY MARKET

Learning the lessons of the past

By Michael Brett

IT ISN'T like 1973...is it? "Some people have drawn comparisons between recent trends and the early 1970s," the Gov-ernor of the Bank of England noted in his recent speech to a conference of the Royal Institu-tion of Chartered Surveyors in Paris. He was speaking of bank lending to the property industry, up to \$30bn on the latest estimates. But such a comparison was not appropriate because "the distribution of lending today is very different."

ent."
Quite so. The one undeniable similarity between the early 1970s and today is that on both occasions the Governor of the day sounded public warnings on property lending and the banking system roundly ignored them. In the 1970s cycle, the warning was sounded in 1972. Bank lending to property companies grew by to property companies grew by 131 per cent in 1972 and by 101 per cent in 1973 to £2.3bm. In 1974 the commercial property

market collapsed.
This time round the Governor sounded a warning in 1987 and a second public warning

Year to August 89 Quarter to August 89 Month of August 89

last week. Outstanding loans to property companies grew by 43 per cent in 1987, by 60 per cent in 1988, and have risen by a further 39 per cent in the

irst half of this year.
The Bank of England does not currently "see property lending as a major supervisory anxiety." The lending is spread across a wide range of banks, interest rate risks are frequently hedged and some of the loan risks are laid off in the insurance market. But the Governor is not underwriting Governor is not underwriting the commercial property market. Indeed, "Exposures to the more highly geared companies might well be singled out for special attention, as might the viability of the underlying projects in limited recourse financings." His message is that the banking system would not be at risk in a property market collapse in the way it was in 1974-75.

This could have drawbacks as well as advantages. Many a major property company is alive today purely because the authorities stepped in to sup-port the property system in

Rental Growth (%)

Retail

1974-76 with a view to preventing a banking collapse.

The Governor is not alone in stressing the differences between the early 1970s and

today. It is a recurring theme of property research. The property boom is cooling, property yields may rise a little, some second-hand City of London office space may have prob-lems in attracting new tenants. But we are not in line for another 1970s-style collapse. The background is too differ-

What was the background to the 1974-76 property collapse, apart from a massive rise in bank lending to the property

First, an overheated economy. The Heath/Barber spurt for growth in the early 1970s pumped money into the economy to stimulate productive investment. Much of it found its way into the property sector instead. In addition, by 1972 inflation was rising to the then disastrous rate of 9 per cent and in November the Government introduced a freeze on ment introduced a freeze on prices, dividends and the rents

All Properties

18.9

of commercial properties in an attempt to cork the bottle. The major property companies, mostly highly geared, were embarked on massive development programmes, prompted by the ready availability of finance and the assumption tenants would always be forthcoming. But in the office market, particularly the City of London, new programmes were constrained by the office development permit system and values of existing buildings soared. The finance

buildings soared. The finance was effectively off-balance sheet in the form of leasebacks or, where it appeared as debt, the interest charges were capitalised in a way that disguised the real cash flow position, which was often negative. Reversionary properties yielding 2 per cent were bought with bank debt that soon cost 15 per cent and the interest shortfall was frequently capitalised. All went well as long as property values rose and further loans could be raised. against them to cover the

interest payments.

The mix contained three other important ingredients:
The freeze on commercial rents exempted new space coming on the market. In the case of City offices the amount was small and marginal demand come hid my reside for demand soon bid up rents for this uncontrolled space from £12 per square foot to £20.

Valuers took these marginal rents as representative of the market as a whole and valued most office buildings accordingly: a massive overvaluation, as later emerged. Inflated valu-ations formed the basis for much property lending.

With rents frozen there were doubts as to whether reversionary values could be

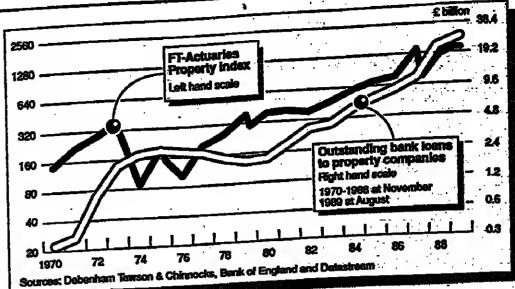
assessed in any case. Confidence in property values was eventually undermined.

The Conservative Government planned to introduce a "first letting tax": effectively a

capital levy on new buildings which would have forced many developers to sell rather than

By late 1973 inflation had been further stoked by a quad-rupling of oil prices and the brakes were slammed on. In November the minimum lending rate was raised to the then crisis level of 13 per cent. A couple of weeks later the suspension of the shares of a small secondary lending insti-tution, Londen and County Securities, marked the begin-ning of the secondary banking collapse. These "secondary collapse. These "secondary banks" (which have no exact equivalent today) had lent extensively on the security of overvalued property. A down-turn in property values saw most of them go bust.

In the new climate property was no longer acceptable secu-



rity for further loans. Property companies had to reduce debt with property sales, but there were few takers, with more property coming on the market from the winding up of the secondary banks. Over the 1974-75 period, yields on prime offices the from 5 per cent to 7.5 per period, yields on prime offices period, yields on prime offices rose from 5 per cent to 7.5 per cent and on shops from under 4 per cent to 7.5 per cent, in as far as they could be judged in a market with few transactions. Ultimately, the authorities twisted the arms of the insurance companies and pension funds, forcing them to take the property on board. As later emerged, their unwilling purchases at fire-sale prices proved the bargain of a lifetime. The new Labour Government abandoned the first letting tax and in 1975 reluctantly ting tax and in 1975 reluctantly ended the rent freeze. Property

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values had to be shored up if the problems of the secondary banks were not to spill over to the merchant and clearing banks. From about 1977 the property market began very gradually to recover.

Property in 1989 is free of

rent freezes and punitive prop-erty taxes which distort the erty taxes which distort the market (though the new business rating system next year will add considerably to occupiers' costs in the South East at least). The problem in the City of London is too much development, not too little. New versions of off-balance sheet and deficit financing techniques are common, but techniques are common, but they are concentrated mainly in the merchant developers and dealers. The traditional property investment companies are generally lowly geared

and could survive a considerable fall in asset values. Property lenders would not be so well placed but, as the Gover-nor noted, the risks are more evenly spread.

However, as in 1973, we have just experienced a period of rapid growth in property values, bank lending to property is at a peak, interest rates have risen very sharply (they are real interest rates this time whereas inflation-adjusted rates were negative in 1974 and whereas inflation-adjusted rates were negative in 1974 and 1975) and the authorities are attempting to damp down the economy. And now, as then, we have considerable instability in the securities markets.

It is not a re-run of 1973. But neither is it a heckground neither is it a background which gives much comfort to the banking and property

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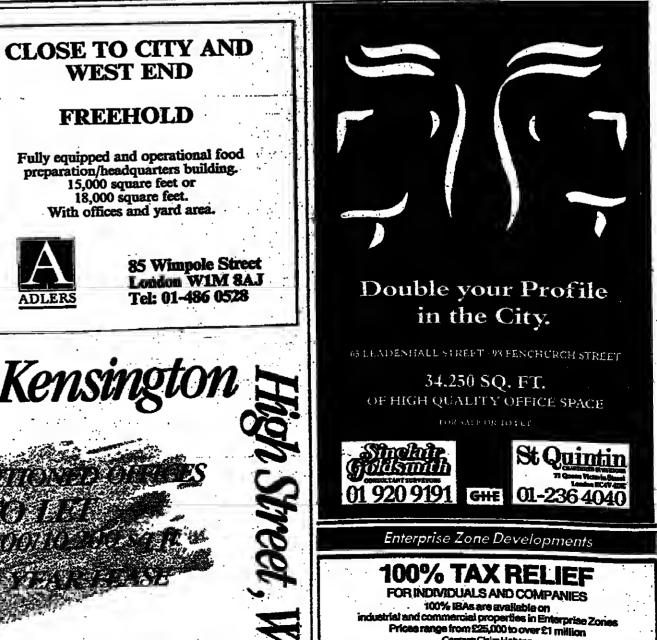
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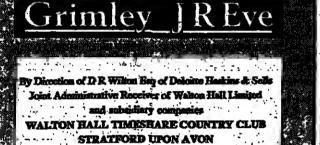
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AND NOTICE IS FURTHER GIVEN that the said Pattion is directed to be insert before the Horousule Mr. Justice Harman at the Royal Courts of Justice, Strand, London, WC2A 211. on Monday the 20th day of Octo-hors 1999.

ANY. Creditor or shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said cancellation of the Share Pression Account of the Company should appear at the time of

A copy of the said Petition will be furnished to any such person requiring the matter by the undermeationed Solicitors on the payment of the regulated charge for the same.

Mesers. Sebestien Coleman & Co., of St. Bartholomew House, S2, Fleet Baset, London EGAY 1014, agents for Mesers. Wragge & Co., of Bank House, & Charry Street, Birmingham

House, & Chi B2 5JY.

Solicitors for the said Company (Flat : 10137/19/JCIP/GIDH/PKS) SPENCER KING

(CIVIL ENGINEERING) LIMITED

Plegistared number: 1029002
Date of appointment of joid administrative receivers: 4 Cotober 1985.
Name of parson appointing the joint administrative receivers: Michael Bank Plo
CARRITTOHER JOHN HUGHES and ROSIN AMCHAEL ADDY
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LEGAL NOTICES

PIDAT MORTGAGE SECURITIES I BATTER

NOTICE is hereby given in accordance with Section 175 of the Companies Act 1985 that at an Extraordinary Geograf Meeting of the above Company hald on 18th October 1988, a special resolution was passed authorising a

The Statutory Declaration and Auditors' Report required by Section 175 of the Companies Act 1965 are available for inspection at 1 Lancaster Pface, Lopdon WCZE TEB, the registered office of the Company.

Any creditor of the Company may at any time within the five weeks immediately following the date of the aforementioned special resolution apply to the High Court under Section 176 of the Companies Act 1986 for an Order prohibiting the payment.

Dated 18th October 1989

C J R May duly authorised for and on behalf of First Mortgage Securities Secretaries Lim-

TELEBEAN PLC (IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN, pursuant to section 45(2) of the insolvency Act 1986, that a meeting of the unsecured creditors of the show-named company will be held at CORK GULLY, SHELLEY HOUSE, 3 NOSLE STREET, LONDON ECXY TOO CORR COLLY, SHELLEY FOURS, S NOCKLE STREET, LONDON ECZY FDQ.

on 1 November 1988 at 11.00 am for the purpose of having leid before it a copy of the report prepared by the administrative receiver under section 48 of the self Act. The meeting may, 3 it thinks fit, establish a committee to expectes the functions conferred on creditors' committees by or under the Act.

A proxy form is enclosed, Creditors whose claims are wholly secured are not entitled to attend or be represented at the meeting. Other creditors are only entitled to vote it.

(a) they have delivered to me at the address shown above, no later then 4.00pm on Monday, 30 October 1939, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rufe 3.11 of the insolvency Rules 1988; and

(b) there has been lodged with me any proxy which the creditor lotends to be used on the or ker behalf. Please note that the original proxy signed by or on behalf of the creditor must be todged at the address mentioned; photocopies (including izzed copies) are not acceptable.

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NOTICE IS HEREBY GIVEN that Divi-dend No.41 of 70 cents per share has been declared payable to shareholders registered in the books of the company at the close of business on 3 Novest-

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Description of the subject to the subject to the subject to deduction and U.K. Income Tax at a rate to be arrived of after allowing for relief in respect of overseas tousion. BY ORDER OF THE BOARD CFA ENVESTMENTS LIAITED, London Searchartes.

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COMMODITIES AND AGRICULTURE

Tin hits lowest level since June

By Kenneth Gooding, Mining Correspondent

TIN PRICES continued to tumble on the London Metal Exchange yesterday to the low-est level seen since the con-tract was re-launched by the LME on June 1.

The price of tin for delivery in three months fell to \$7,700 a tonne in very early trading, before some consumer buying from Europe and the Far East edged it back up to close at \$7,862.50 a tonne, down \$112.50 on the overnight level. Last week the price dropped by \$205 a tonne to \$8,270. Analysts last night were sug-

gesting that the price could fall to \$7,500 a tonne, a level last seen in the free market in January. In the early, euphoric, days of LME trading, the price reached \$10,500.

This week's sharp fall has been marked by heavy influential merchant selling. The power they wield has frightened off other potential tin market participants, traders

For example, some 2,000 tonnes of tin was sold during official ring dealings on Wednesday — a large tonnage compared with the 5,000 tonnes in LME stocks.

The bulk of consumer hedging still appeared to be by-pass-ing the LME and the tin con-tract was still trying to establish itself as viable.

"Tin prices are returning to a fundamentally sensible level after a climb earlier this year, brought about by a short-term

squeeze," said Mr John Harris, analyst with Rudolf Wolff, the commodity broker.

This week's agreement by the Association of Tin Producing Countries to continue export quotas might at first sight seem bullish for the metal, he added.

However, some observers were interpreting the decision as an indication that the market was still vulnerable to

oversupply.
Mr Harris, said, however: "I would be surprised if the price goes below \$7,500 a tonne." Mr Fidelis Madavo, of the Commodities Research Unit, consultancy group, also suggested that "\$7,500 is a good resistance level. At that level we would see some consumer

He insisted that "some kind of manipulation of the market is going on," but there was no shortage of metal for short-term delivery. A great deal of timbed here received in deal of tin had been received in North America recently, suggesting that Brazil was export-

ing more of the metal.

Looking ahead, Mr Madavo said that, although tin supply had increased by 10 per cent in the first nine months of this year, while demand was up by only 1 per cent, there was still likely to be a small supply defi-

"And as we get into the fourth quarter we are likely to see more consumer buying," he added.

Potato board to involve consumers in decisions

By David Blackwell

BRITAIN'S Potato Marketing Board yesterday unveiled its plans for a new policy which will include consumers in its

decision making process.

The board, which was under threat of abolition for most of last year, is to have its numbers reduced from 33 to 23, as it aims for increased financial

It will continue to govern UK potato production through a quota system supplemented by market intervention in times of unusual surplus.

A new Joint Consultative Committee is to be set np, under the board's existing powers, by Spring next year, in order to be ready to make a decision on the 1991 target area for potato growers.

This committee has been designed to take in representatives of "all organisations with a significant commitment to potatoes," including processors, independent and multiple retailers, packers and mer-

chants. Provided it wins final acceptance from the Ministry of

LONDON MARKETS

THE PREMIUM for cash copper over

Agriculture, the plan will be implemented from 1991. Next year's potato target area has already been set at 154,500

hectares.
Britain is the only European country with a potato market-ing strategy. The plans follow the ministry's conditions announced earlier this year for reprieving the board.

A Government consultative

paper on the board's future, published in last September, found only growers in favour of its retention. Potato processors and the large retailing stores, which account for an increasing proportion of the £2.5bn potato and product maroption the Government initially appeared to favour. • The Minstry of Agriculture sterday announced the second case of rhizomania in a week, in Norfolk, as it continued its regular annual programme of testing.

Rhizomania is a soil-borne fungus which attacks sugar beet. Strict quarantine measures have been taken.

COCOA - London POX

Close Previous High/Low

Saudi Arabia 'will not reduce Opec share'

By Steven Butler

MR HISHAM NAZER, the Saudi Arabian oil minister, yesterday said that Saudi Arabia would insist on main-taining its share of oil output in the Organisation of Petroleum Exporting Countries in any revised production quota

A reduction from Saudi Arabia's current share of 24.6 per cent could ease acceptance of a new quota arrangement by other Opec producers.

However, Saudi production has fallen heavily from its peak a decade ago and its Opec quota share was reduced last year to help provide extra production for Iraq. Mr Nazer was speaking after

addressing a conference in London, sponsored by the International Herald Tribune

and The Oil Daily.

In his address, Mr Nazer gave a strong indication that Saudi policy would continue to encourage moderation and stability in world oil

"Too high a price merely sets the stage for too low a price," he said. Opec's share of world oil production has begun to rise rapidly again in recent years, creating fears that Opec would be in position to increase prices sharply in the years

However, Mr Nazer said that the notion that Opec would soon be back in the "driving seat" was only useful for its political impact, and that the forces of supply and demand would determine prices, not

Opec policy.

He also called for more cooperation between the uil producing countries and the big oil companies, and said that the two were roughly balanced as forces in the international oil industry, with producing countries controlling oil reserves and the oil companies dominating international mar-

keting.

They [the oil companies] know that any future access to enhanced crude supplies lies through co-operation with the producing countries, It is sim-ply a question of enlightened self-interest where the players need each other to achieve long term development in both corporate and national terms,"

The producers wanted to co-operate with the oil companies to integrate further downstream. This would enhance security of markets for produc ers and security of supply to consumers at the same time, while assuring the oil companies of npstream link-

Mr Nazer also wanted to see more technology made available to the producers.

LONDON METAL EXCHANGE

Electronic spy may help save the EC fish

Tim Dickson and Bridget Bloom on plans for monitoring fishing vessels by satellite

CONTROVERSIAL plans for self-deprecating humour. an electronic "spy in the Son of a Castile judge, a lawan electronic "spy in the cabin" to track fishermen who abuse their European Community catch quotas have been advocated by the EC's fisheries commissioner, Mr Manuel

Attaching transponders to each fishing vessel and moni-toring their progress by satel-lite could be an effective means of protecting the EC's rapidly diminishing fish stocks, Mr Marin claims.

Fish stocks were being depleted because member state governments were unable and unwilling to apply adequate controls, and because the present national system for licensing fishermen was proving "too easy" for those seeking access to Community waters. Mr Marin – who describes fishermen as "the last great hunters" – has himself become the reluctant prey of an armada of angry Spanish boat owners in the last few days. Much to his dismay he has been condemned in the Spanish press, following last week's order from the European Court of Justice, which restrains Britain from imposing nationality requirements on those wishing to join a new UK fishing vessel register, but crucially allows the UK to con-

tinue insisting on tough resi-dence and domicile qualifica-tions for would be applicants. The effect is that only a handful of almost 100 boats barred by domestic UK legislation this year from fishing for UR quotas will have their livelihoods returned.

"In Madrid I am a traitor. In London I am a spy. In fact I am a melancholy man," says Mr

yer by academic training and Secretary of State for Relations with the European Communities during Spain's accession negotiations, socialist Mr Marin, who celebrates his 40th birthday tomorrow, has been his country's senior commissioner in Brussels since 1986.

A mercurial character,
whose black heard seems to
exaggerate his slightly haunted

look, he moved from social affairs in January to his pres-ent twin portfolio (which includes Development affairs) at a time when overfishing and declining stocks were already threatening the basis of the EC's Common Fisheries Policy. He has arrived at a vital time. Under his direction the Commission will be obliged to commission will be obliged to produce a 10-year review of the Common Fisheries Policy in 1992 — a prospect made all the more daunting by the fact that the national quotas on which the regime is based are in some respects fundamentally at odds with the principles of the single market. "We have to reconcile the principles of the internal market programme with the specifics of the fishing pol-

icy." he says.
The Commission's legal attack on the nationality provi-sions of Britain's 1988 Merchant Shipping Act, which led to last week's European Court order — followed this week by the start of proceedings against other member states with equally restrictive and protec-tionist flag laws – is the most topical challenge for the young

commissioner.
The complaint of some of his fellow countrymen - and the cause of his present melan-



Mr Manuel Marin: "I am a melancholy man."

choly - is that Brussels has not proceeded against what the Spanish boat owners see as equally offensive residency conditions in the British legis-

The charge clearly wounds Mr Marin, who says that the Commission has already shown its willingness to tackle the Issue in its recent proposal for a new Community frame-work for access to fishing quo-tas (published in the August 31 edition of the Official Journal of the European Communities). In particular, he cites the sec-In particular, he cross the sec-tion which covers proposed rules for shore-based represen-tation of undertakings and which states that "whether a fishing vessel is operated by a company or an individual, the responsibility of the operator must be traceable through some real and continuous representation at the main base of

onshore administrative unit of the undertaking, "commensu-rate with the size of the latter." This may be measured in terms of its cost in relation to the turnover of the vessel concerned, a figure of 10 per cent of turnover being what the Commission has in mind. Mr Marin stated categori-cally that there will be no

actions against member states challenging residency require-ments (as opposed to national-ity conditions). Governments can either accept his proposal can either accept his proposal

— which he would prefer but
which he admits is unlikely —
or wait for the matter to be
clarified by the European
Court of Justice ruling in the
so-called Agegate and Jaedrow
actions. Brought by two fishing companies last year against British licencing rules for crewing and landing - and to be distinguished from last week's procedure against the 1988 Merchant Shipping Act-final judgment in these cases is

eagerly awaited.
Mr Marin's main headache. however, is how to preserve the EC's diminishing stocks in the face of persistent overfishing by the EC fleet. He says that he "fully understands" the political, economic and social pressures facing member states, but points out their failure to implement effective con-

"The problem is that they all think they are the best but the reality is that the situation is getting worse and worse each year. We have to become more restrictive and for me that is the most important question of

With engaging honesty he admits that ministers "look at me as though I am a Martian" when he puts forward his idea for replacing the current national arrangements with a Community licensing system. (Critics point out that this would require an extra level of bureaucracy in Brussels and would be unworkable in prac-

The state of the s

tice).

His plan to instal a transponder in each fishing vessel also raises practical difficulties, but the principle of satellite tracking is hardly likely to get a warm political welcome on the

Aberdeen quayside. He is unperturbed; he says sceptics were equally dubious about the tacograph in lorries, that technologically the experiment is possible, and that it would be relatively simple to apply it to a few thousand beats.

"A policeman takes a licence and punishes drivers for one year. Why is it not possible to do that in the water?"

A feasibility study currently running in Portugal — and soon to be extended to five

fishing vessels - may one day provide the answer. Warming to his theme of the fisherman as a hunter - "a part of our historical memory" - he suggests that the situa-tion is little different to that

facing other species, like the deer and the elephant. "All people accept that the hunter is no longer free."

Referring to the sometimes
bitter tensions below and above the surface, however, he

pleads: "Member states must resentation at the main base of operations concerned."

Such representation, it adds, must take the form of an time future," he says.

Inot be unrealistic. It is better operations concerned."

Analysing the issue is one to try to resolve the problems thing, finding acceptable soluby consensus rather than by tions is quite another.

Inot be unrealistic. It is better operations to try to resolve the problems thing, finding acceptable soluby consensus rather than by tions is quite another.

Indian demand lifts Malaysian crude palm oil prices

By Lim Stong Hoon, in Kuala Lumpur

A WAVE of fresh demand from India has helped to drive up crude palm oil prices in Malay-sia. They reached 767 ringgit (\$284) a tonne on Wednesday, but yesterday closed slightly easier on indications that the higher price would deter India

from further purchases. In the two days, more than 142,000 tonnes were traded. On Wednesday alone, the futures market recorded a volume of 72,525 tonnes - surpassing the previous record of 64,025 tonnes on September 21, according to the Kuala Lumpur

stock levels. Figures released earlier this week by the Palm Oil Registration and Licensing Authority showed palm oil stocks in September to be at 842,000 tonnes - up 17 per cent on August. September production was also np by I per cent on August, to 646,000 tonnes. For the nine months to Sep-

tember, production reached 4.3m tonnes. At this monthly rate of more than 600,000 tonnes, Malaysia's output this year could surpass considerably the official projection of

5.4m tonnes.
At these production levels, and without India until this week, prices had dropped to a two-year low of less than 700 ringgit a tonne in July and early August. At 750,000 tonnes, last year's sales to India were 25 per cent lower than the previous year.

However, this year has been Commodity Exchange.

The higher sales have come amid rising production and largely because of a good groundnut harvest in India and competition from Indonesia. This month, traders had been counting on the Indians to buy again in anticipation of a general election, now scheduled for late November.

With the glut of palm oil, prices had been wavering between 660 and 780 ringgit a

WORLD COMMODITIES PRICES

(Prices supplied by Amalgameted Metal Trading)

tonne over the past few months. In response, big Malaysian growers allegedly joined forces to sell oil at no less than 720 ringgit a tonne.

Mr Lim Keng Yaik, the primary industries minister, travelled to Jakarta hoping for a deal with the Valorians to

deal with the Indonesians to. share markets and control prices. By establishing a con-sortium of exporters from both countries, Malaysia hoped it could deal with its glut and challenge other edible of pro-ducers, whom they think may be undercutting prices. Both nearly 80 per cent of the palm oil export markets.

In the beginning, Malaysian newspapers told of "encouraging" responses from the Indonesians, but nothing more was reported of the plan when Mr Lim left Indonesia in mid-September. The Indonesians are not interested: they do not feel threatened in the export mar-kets, where they sell about half

their production - more than: 2m tonnes this year.
For Malaysia, the stakes are far greater, however. The country, with a population a tenth the size of Indonesia's, consumes less than 8 per cent of its output, but produces two and a half times more than its

neighbour. Two weeks after Mr Lim's visit to Indonesia came the report on Malaysia's national price-fixing cartel. The timing of the cartel is at odds with output: Malaysia's bumper harvest this year could raise production by 200,000 tonnes more ducers with nearly 300 mills, than the official estimate of many operating at below capacity. of the annual crop is harvested between July and December when there is more rain. This glut has been compounded by the poor Indian purchases so

Square, on June 4, is also pot over the last two days, how-buying as much as Malaysia ever, which have made the carneeds to offset the Indian tel somewhat redundant.

127.50 127.50 126.70

126.75

Closs Previous High/Low

CRUDE OR. (Light) 42,000 US galls \$/berrel

Latest Previous High/Low

126.50 126.45 126.45

127,80 127,80 127,95

losses, one trader reported. It is surprising, however, that the combination of record production and lower demand have not murt the Malaysians more, The reason, in part, is aggressive selling in the Soviet Union, Pakistan, Iran and Egypt where sales have improved. Indonesians have helped a little by buying some Malaysian refined oil for domestic consumption, while exporting its high quality oils exporting its high quality oils. The cartel faces other hur-dles. Malaysia has numerons independent and private pro-

There is also the issue of storage; because palm oil lasts

no more than two months, stocks must be moved on a first-in first-out basis. ar this year.

It is the surge in demand.

China, since Tiananmen and relatively higher prices.

:9

- 21

nth widened yesterday from

£20.50 to £34.50 a tonne on the LME. Steady demand is expected from Japan and US consumere, traders said, while general concern persists in New York over the supply situation to the end of the year. About 15,000 tonnes of metal ere expected to be taken from LME warehouses this week, but so far no figure has been put on possible nflows. The market was elso awaiting the outcome of yesterday's vote by Highland Valley workers on a new remained in their current narrow range of £700 to £725 a tonne. Deale the market seemed to attract origin selling whenever it threatened to make

e break on the upside. The (vory Coast.

Malaysia, Ghana and Cameroun have been svident in the market. On the

BFE, treight futures rose sharply again.

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or
Ouber	\$16,20-6,30v	+0.05
Brent Blend	\$19,35-8,400	
W.T.J. 11 pm est)	\$20,30-0,350	-0.25
Oil products		
(NWE prompt delivery per t	onne CIF)	+ 01
Promium Gasolina	\$203-205	-12
Ges Oil	\$186-188	-4
Heavy Fuel Oil	\$103-105	•1
Naphtha Petroleum Argus Estimates	\$154-155	+1
Other		+ 00
Gold (per troy oz)	\$368.75	+ 0.50
Silver (per tray ozi-	512c	
Platinum (per troy oz)	\$487.5	-0.4
Palladium (per troy oz)	\$139.25	+ 1.00
Aluminium (free market)	\$1900	-15
Copper (US Producer)	135%-140C	-2
Lead (US Producer)	40.5c	
Nickel (free market)	475c	-5
Tin (Kuala Lumpur market)		-1.06
Tin (New York)	365.5c	-2.0
Zinc (US Prime Western)	804c	
Cattle [livo weight]†	113.90p	-0.78*
Sheep (dead weight)†	153.13p	- 18.5*
Pigs (live weight)†	104.48p	-1.75°
London dally sugar (raw)	\$356.0v	-0.2
London daily sugar (white)	\$395.5v	-0.5
Tate and Lyle export price	£338.0	-1.5
Barley (English feed)	£112.8	+25
Matze IUS No. 3 yellow)	£124.5	
Whest (US Dark Northern)	£122.75	-1.00
Rubber (spot)♥	55.75p	-0.76
Rubber (Novi♥	56.500	-0.25
Rubber (Dec)♥	50.25p	-0.25
Rubber (KL RSS No 1 Nov)		
Coconut oli (Philippines)§	\$490y	+5
Palm Oil (Malaysian)§	\$3250	-
Conca (Philippines)6	\$3100	

c-cents/lb, r-ringgit/kg, y-Oct/Nov, x-Oct/Dec. t-Jan/Mar. v-Nov/Dec. w-Dec. q-Nov. z-Jan/ FebilMeat Commission average futstock prices. "change from a week ago. VLondon physical market, §GIF Rotterdam, & Bullon market

+ 0.35 -7

Mec	734 718	740 722	742 729 722 711	
May	727	732	733 723	
- Jane	741 754	746 763	733 723 746 736 762 753 780 778 810 803	
Sep	780	786	780 778	
Mar	204	908	810 803	
Tumov	or: 4846 14	1048) lots c	ti 10 tonnes is per tome). 14] :10 day ave	
price i	or Oct 18 i	ricee (SUF	is por tolme). .14) :10 day ave	DEN.
for Oct	19 841.95	(842.17)		
COLL		lon FOX		מחס
	Close	Previous	High/Low	
Nov	706 668	705	710 700	
Jan	680	676 688	678 666 683 676	
May	665	705	697 698	
Jul Sep Nov	716 731 755	717 740 750	715 705 735 725 751 747	
Nov		750	751 747	
Turnov	er: 2572 (2	217) lots o	of 5 tonnes ents per pound 80.53). 15 day	
Oct 18	Comp. da	dly 60.86 (80.53). 15 day	zvec
290 P	'AL (05'20)			
SUREA	R - Lend	HOX.	(S per to	mne
Rew	Close	Previous	High/Low	_
Dec	319,40 315,60	321.80 317.00	316.00 317.40 316.00	
May	310,80	311.80	311,20 318,80	
Aug	304.80 284.20	306.00 285.00	305.40 303.00 296.00 285.00	
Oct	291.00	292.00	258.00	
White	Close	Previous	High/Low	_
Dec	388.00	387.50	200 00 247 50	_
Mar May	390.00 393.50 405.00 376.60 370.60	309,00	390.30 388.00 393.00 389.00 405.00 402.50 377.50 376.50	
AUQ	405.00	400.00 376.00	405.00 402.50	
Oct	376.60	376.00 370.00	377.50 376.50	
Mar	372.50	370.20		
Turnov	er: Raw	1425 (1836	plots of 50 tor	mee
White	1656 (1308)		ne): Dec 2445.	
2465. N	MEY 2490.	Aug 2585. (Oct 2460, Dec 2	Ma 355
CHATCH	EOIL - II			erre
	Close			
Dec Jan	18,51 18,45	18.97 18.56	18.93 18.65 16.45 18.30	
Feb	18,10	18.33	18.15 18,07	
Mar	16,00	15.35	18.00 17.95	
Apr IPE Ind	17,95 ex 19,04	18.96	17.95	
	er: 8941 (5			_
CAS O				-
we u	Close	Dender		onne
Nov		Previous	High/Low	
Dec	183.50 179.50	186.25 182.75	184.25 151.50 181.25 177.75	
Jan	178.50 172.50	179.25	177 25 174 25	
Feb	172.50 166.75	175.00	172.25 170.00	
ARP	169.50	170.60 167.60	167.25 165.75 164.50 162.50	
May	162.00	167.60 184.00		
Jun Jul	159.50 159.50	162.00	160.00 156.00 157.7\$	
		6078Not-	f 100 torines	
14-1-04	- 119d/ (1	wieldz (· I'm Exige?	
Front III	7 AND 100	DETABLE		_
Rece	- MANY YE		ia)	

Temper 11307 (1607) INST OF 100 IDNINES
Return AMD VENETABLES Bananas are good value 38-58p e lb (40-50p) as are Outspan oranges 5-25p each, reports FFVIB. Learners 19-20p. Kjwifruit 16-25p. Cox's apples 28-45p a lb (25-60p) and Gramleya 20-30p (20-40p). Broccoll is 40-65p a lb, carrost 16-25p and persulps 28-40p. English 15-25p (20-30p) and butch 14-20p (17-30p) onlors are good value. Potatoes are plentiful-Pentland Squire 10-16p. King Edward and Destree 12-16p. Watercress 30-40p a bunch, spring onlors 12-16p, celery 25-60p a hoad and cucumber 30-60p each romain good value. Tomatoes 35-60p a lb and lettuce, round 20-35p each, icobery 49-75p, remain stoady.

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Alumbalum	98.7% port	y (\$ per tonne)			Fling turn	over 18,975 tonne
Cush 3 months	1875-85 1800-6	1980-90 1600-6	1922/1906 1825/1795	1990-5 1620-2	1790-5	34,525 fots
Copper, G	red 2) A sher	tonne)			Ring turn	over 57,725 loren
Cash 3 months	1633-6 1799-800	1615-7 1795-6	1815/1813 1805/1777	1815-6 1786-7	1797-5	71,195 lots
Lead (E po	r tonne)				Ring tur	nover 8,500 lonne
Cash 3 months	485-7 470-1	487-9 472.5-3	484/483 471/468	453-4 468-5.5	470.5-1.5	15,047 lots
Michael (5 p	er tonne)				Hing tur	mover 3,012 tonne
Gash 3 months	10350-75 10050-100	10375-425 10125-50	10350/10325 10100/10060		10075-100	6,252 lots
Tin (\$ per	(sennot				Aing tur	nover 1,230 lonne
Cash 3 months	7900-25 7850-75	7950-8000 7980-90	7920/7900	7910-30 7900-16	7800-25	5,836 Total
Zinc. Spec	tel High Grad	le (\$ per tonne)			Plng turn	over 10,875 tonns
Cash 3 montus	1650-80 1640-3	1551-8 1655-60	1860/1868 1660/1836	1658-80 1658-80	1645-50	13,629 lots
Zinc (S per	(ennot				fling tur	nover 2,400 tonne
Cash 3 months	1 <i>5</i> 95-605 1580-90	1605-15 1590-600		1605-6 1690-5	1580-00	3,307 lots
LME Close SPOT: 1.54	ng 2/5 rate: 60	3 months: 1,5	715	3 months: 1.55	100	8 months: 1.5307

Inc. Sp	ecial High	h Grade (5	per tonne)			Ping	MITTOU	or 10,8	75 tonne
esh month	1660 1640	80 1 3 1	551-8 555-80	1990/1958 1960/1935	1658-80 1658-80	1645-50	6	13,629	lots
inc (5)	er tonne)				Ring	almo.	ver 2,4	00 tonne
esii morti	1595- s 1580-		605-15 590-600		1605-6 1590-5	1580-60		3.307 I	ota
ME CK	sing 2/5	1886:							
POT: 1	.5460		months: 1,5	715	3 months: 1	.5500		month	5: 1.5307
OTAT	OES - 1	FE		Erionne	LOWDON BL	ILLION MAIL	NET.		
	Close	Previous			Gold (fine oz	\$ price		edria	Lient
eb voi	123.0	128.0 151.0	125.0 12	1.0	Close	358 12-989		30 Y-20	
OF	198.4	202.7	202.5 19	8.0	Opening	368-7-369 368.50	2	31-231 ³ 30.097	2
Azy	228.5	231.0	227.5		Morning fix Afternoon fix			30.404	
urnov	er 416 (2	55) lots of	40 tennes.		Day's high	369 4-369 4			
TWA!	Tau be	AL - BFE		Enonne	Day's low	359-368 1/2			
~ 12	Close	Previous			Coins	\$ price	- 6	equiva	ers.
			THE O'C		Macialesi	378-383	2	37-240	
eb pr	145.50	144.50 142.20			Britannia	375-383		37-240	
					US Engls	378-383	2	37-240	
PLUOA	ar 0 (25)16	ots of 20 to	rines.		Angel	377 12-382 12		36 2 - 23	24
			-		Krugerrand	368-371		30-232	
KEIG	ST PUTU	725 — DF	E 210/1	ndex point	New Sov. Old Sov.	8612-8712		4-54%	
	Close	Previous	High/Lov		Noble Plat	493.35-601		05 05-3	12.95
)ct	1586	1558	1500 158						
loy	1658	1823	1558 181		SEVER EL	p/fine oz	Ł	S es	I quiv
an Pr	1659 1674	1634 1860	1660 163 1675 165		Spot	319,65		12.85	
LIL.	1420	14 (2	1415 141		3 months	381.65		24.00	
let	1530	1530	1530	•	6 months	343.00		84.35	
FI	1554	1545			12 months	365.80	5	56.00	
UMOV	er 1168 (2	241)			TRADED OF	TORES			
FAR	- BPE			£/tonne	Alconinium (9	9,7%) C	ella		uls
fheat	Close	Previous	High/Lov	,	Strike price \$	tonne Nov	Jen	Nov	Jan
ΟV	107.20	108.15	107.85 11	07.20	1750	129	120	10	43
2n	111.60	112.35	112.05 11		1850	59	50	39	90
lar lay	115.25 116.40	115.80 116.80	115.50 11		1950	20	28	99	157
ua	119.80	120.40	119.80 11		Copper (Grad	e A) C	alis		Puts
					2750	178	182	16	98
arley.	Close	Previous	High/Lov	·	2850	104	132	46	147
QV .	187,10 110,15	106.60 110.40	107.15 10 110.20 11		2960	53	32	85	205
er .	113,00	113.50	113.15		Coffee	Jen	Mar	Jen	Mar
ay	114.50	116,00	114.60 11		650	52	75	34	46
urnove	ir. Wheet	531 (120).	Seriey 225	(240).	700	31	51	63	72
umove	r iola ca	100 tonnee			750		34		105
ias -	EFE	(C	ash Semen	ment) p/kg	Cocoa	Dec	Mar	Dec	Mar
	Close	Previous	High/Lov	,	700	65	58	33	43
ct	133.5	133.5			750	- 18	36	66	71 .
OV	133.5	134.0	1328		800	- 18		86	
de	121,5	****	121.8 120		Brest Crude	Dec	Jan	Dec	Jan
pr m	122.0 119.5	123.0 119.5	121.0 120	70			****		
	116.6	116 8			1800		81	10	35

US MARKETS

futures reflected movements of the U.S. dollar, reports Drexel Burnham Lambert. A lowsr CPI kept the merkets from producing eny strong railles. Copper closed higher after e choppy day. Local activity made up the volume. In the softs, cocoa prices fell as e weak London market along with trade and commission selling forced prices down. Sugar and coffee settled close to unchanged after slow days. The livestocks were mixed. The pork belies gained slightly, while hogs and cattle fell. Some hedge selling was seen in the cattle futures as December cattle lost 22. The grains were all up sharply as good export news continues to firm the markets. Snowfall in some mid-western states was also noted. The say complex and com futures posed the biggest advances. Cotton was lower from stop-loss selling. The energy complex rebounded after showing early weakness.

GOLL		oz.; S/troy o		
	Clase	Previous	High/Low	
Oct	367.1	366.7	8	O.
Nov	368.7	370.4 372.4	373.9	0
Dec	370,6 374.6	376.4	377.5	370.0
Feb	378.7	380.5	381,2	378.3
Apr	382.9	364.7	356.2	382.8
Aug	367.0	386.9	0	0
Oct	391.2	393.1	8	ŏ
Dec	395.5	397.4	394.5	396.6
PLAT	MUN 50 t	roy oz. S/tro	y oz.	
	Close	Previous	High/Low	
Oct	485.5	488.5	485.0	465.0
Dec	489.1	492.5	491.0	491,5
وتعل	495.1	494.7	496.D	489.5
Apr	494.7	480.5	499.0	493,5
Jul	498.2	502.3	501.2	409.0
<u>002</u>	502.2	505.3	8	8
SILVE	57 5,000 to	oy oz, cent		
	Close	Previous	High/Low	
Oct :	505.0	510.5	8120	507.0
Nov	509.4	512.1	0	0
Dec	513.3	516.0	518.5	511.0
Tab.	516.2	518.9 527.3	5 533.0	8
Mer	524.6 531.6	534.6	535.0	522.6 530.0
May	539.3	542.1	544.0	538.0
Sep	547.0	549.8	0	0
Dec.	558.3	501.1	582.8	550.0
18ti	582.0	564.8	8	8
			-	•

SUTERS (Base: September 18 1931 = 100) Oct 15 Oct 17 math ago yr ago

DOW JONES (Base: Dec. 31 1974 = 100)

129.97

1850.3 1869.9 1833.1 1877.8

-	20.50	30 KK	20.00	***	- 10
Nov Dea	20.32	20.55 20.25	20.50	20.42	8
Jan	20.06	19.96	20,11	19.84	
Jan Feb	19.64	19.76	19.57	79.63	
Mar	19.85	10.58	19.67	T9.49	
Apr	19,40	18,42	19.49	79.30	_
May	19.24	18,42 19,26 19,11	19.49 19.30 19.07	19.16	1007472001
Jun	18.80	18.83	19.07	18.98 18.75	. 0
vod	10.00	18.83	18,80	18.75	5
		<u> </u>			Į.
HEAT	THE OR.	12,000 US p	palls, cents	/US galle,	
	Latega	Previous	High/Lo	W .	
Nov	6010	6060			S
Dec	8080	6113	8040 8095	\$880 \$025	=
Jan	6030	9063	8095 9050	2000 .	_ =
Feb Mar	5605	5833	19020	5865	
Mar	5650	5673	5000	5500	_
Apr	5405	5443	5415	6390	ō
Apr Mey Jun	5240 5135	5151	5245 5135	5220 5135	
Aug	5150	5151	8155	8150	34
	•		4100	4.00	M
COCC	A 10 mar	104;\$/10N/H			
					003
	Close	Previous	High/Lo		
Opc Mar	994	1018	1026	991 1004 1022	M
Mar	1008	1029	1035	1004	_
May	1025	1044	1050	1022	
Jul Dec	1045	1069	1066 1106	1043	D
Mar	1113	1126	1130	7180	. M
-	1194	1 1400	1100	1190	W
					8
COFF	E .C. 21	.500/bs; ce	mts/lbs	_	0
	Close	Previous	Highton		M Second
					=
Dec	71.99	71.81	72.35	70.75	***
May	75.90	75.80 75.88	76.15	75.00	_
-bel	75.90 77.90	78.00	78.00	77.50	
Sep	79.25	79.88	80.23	79.75	14
Dec	82.90	82.61	83.23	83.00	M
Mer.	86.00	85.50	8	8	Ju
			•		80
	-	3 -11° 112,	000 the	ab-dba	De
-					Ma Ma Ju Se De
	Close	Previous	High/Lo	V	
Jen	14.10	14.10	0	8	
Mar	14.27	14.27	14.34		- G
May	13.89	14.04	14.05	14.16 13.93	Oc De Fe
Jul	13.75	13.64	13.84	13.72	Fe
Oct	13.33	13.37	13.40	13.26	Ap Ju
Mer	12.82	12.97	0	0	-
		-			Au
COIT	ON 50,000	; септь/lbs			٠
			belock is -		Lh
	Close	Previous			_
Dec	72.80	73.42	74.07	72.50	
Mar	74.44	74.90	75.45	74.25	0
May	75.18	75.50	76.05	75.00	· De
Jul	75,20	75.50 .	76.00	75.15	Co Co Fo Ap
Oct	66,90	70.00	70.16	68.85	Ą
Dec .	66.65	67.00	67.10	66.80	Ju
. —					JU
ORAN	GE JUICI	t 15,000 los	; cents/the		Jul Au Oc
	Close	Previous			40
					PO
Nov	130.20	129,53	130.75	129.55	- 10
Jac	125.55	125.25 125.70	127, 15	125.60 126.00	
MARI'		125,70	128,50 128,75	124,00	Fet
May	127.10	126 10	120.10	126.25	· Ma
Sec	127 20	126.40	8	8	Ma
Nov Jac Mar May Jul Sep Nov	127.20 127.20 127.20	126.40 126.40	8	0	_101
1400	407.00	100 46		ž .	Air

	ricag			
30Y		,000 bu min;		
	Close	Previous		
Nov	505/2 577/0	559/6 570/6	573/0 583/4	562/4 574/0
Merc	569/0	581/6	695/0	- 586A
May	587/0	690/4	602/0	594/1
Aug	602/6 603/0	595/4	606/0	599/4 599/1
Sep	565/0	578/0	589/0	585/0
Nov	581/6	574/0	584/4	579/
SOY		. 60,000 lbs;		
Oct	18.73	Previous 18.00		
Dec Jen	19.00	18.91	18.90	18.52 18.80
Jen	19.23	19.14	19.36	18.04
May	19.63	19.52 19.88	19.75	19,46
1H	20.26	20.20	20.18	19,75
Aug .	23.32	20.25	20.30	20,36
Sep SOY/	20.37	20.35 AL 100 lons;	20.35	20,40
	Close	Previous	High/Los	<u>.</u>
Oct	190.0	188.0	191,5	188.3
Dec Jen	184.4	182.3 180.7	186.5	184.0
Mar	161.3	179.4	185,0 183,5	182.3
May	179.8	176.1	182.0	179.6
Aug	178.5 177.5	177.2	161,0	178.5
Sep	178.5	176.6 175.0	150.0 179.6	177.5 176.5
MASS	E 5,000 bu	min; cents/5	Silb bushal	
	Close	Previous	High/Los	
Dec	244/0	238/2	246/4	
Mar	247/0	243/4 -	250/0	242/4
Mey Jul	251/4 253/4	247/6 248/6	254/0	250/2
Sep	244/0	241/4	256/0 245/0	253/0
Dec	241/0	238/0	241/4	243/0
Mar	247/6	244/6	248/0	94240
WINE.	Close	thin; cents/		
Dec	407/6	Previous 406/2	High/Lov	
Mar	408/0	406/2	409/6	405/0
May Jul	355/5	388/4	389/4	406/0 384/4
Sep	359/0 365/4	357/6	360/0	357/0
Dec	377/0	362/4	365/4- 378/0	362/4
LIVE	ATTLE 40	.000 lbs; cen	te/Iba	375/4
·	Close	Previous	High/Low	<u> </u>
Oct Dec	74.42 75.25	74.62	74.67	74.35
Feb	74.78	75.47 74.80	75.50	73.15
Apr	74.92	74.87	74.60	74,47
ten.	71.97	71.95	74.95 72.05	74.62
Aug	70.37	70.32	70.60	71.80 70.35
LIVE	OG\$ 30,0	0 ib; centari	ibs.	
<u></u>	Close	Previous	High/Low	
Oet Dec	48.75 48.45	48.72	46.80	48.10
Feb	45.55	46.80 45.75	46.85	46.15
Apr -	42.85	42.87	45.70	45.22
Jun Juj	47.25	47.42	42.90 47.45	42.55
AUG	47.70 46.60	47.80	47.80	47.15 47.30
Oct	42.50	46.70	46,60	46,20
	961 LUES 4	0,000 RDE; CO		42.10
THE !	Close	Previous	High/Low	<u> </u>
·				
ab da	51.97	51.72		64 55
eb ter	51.97 51.85	51.72 51.52	52.22 51.95	\$1,56 51,47
	51.97 51.85	51.72	52.22	\$1,55 \$1,47 54,80

LONDON STOCK EXCHANGE

Shares move higher in thin trading

THE UK stock market yesterday made a further step on the road to recovery from this week's New York-inspired shakeout. But turnover remained very thin as the City remained very min as the city of London awaited the potentially important policy speech by Mr Nigel Lawson, the UK Chancellor of the Exchaquer, to the Bankers' Dinner at Lon-

cle to the improvement in equi-ties, although doubts were expressed at first over the rise on the first three volatile tradties, although doubts were expressed at first over the rise in bank lending M4 to a record £10.2bn in September. However, neither the increased

<u> </u>	<u> </u>	
Account	t-Dealing 1	Apples -
Thet Declings: Oct 2	Oct 16	Oct 30
Oct 12	Oct 26	Nov 9
Last Deafage; Oct 18	Oct 27	Nov 10
Account they: Oct 28	Nov 8	Nov 20
Ties time deals 9.00 am two bus		

don's Mansion House last bank lending total nor the UK night.

The day's batch of domestic economic data proved no obsta- in fact London was again fol-In fact London was again foling days this week, as ilkus-trated in the accompanying chart on this page. An added

factor was the squeeze on mar-ket making at the securities houses who remain short of

Share prices opened lower after an unexciting performance from New York overnight, but they began to climb in thin turnover as one market maker finished his buy programme. The page micked my maker finished his buy programme. The pace picked up when Wall Street came in higher but, as predicted by market strategists, cooled off ae the Footele Index approached 2,200; at best, the Index was 24.3 up at 2,194.4. The final reading showed the FT-SE Index at 2,180.3, a net FT-SE Index at 2,189.3, a net gain on the day of 19.2. Turnover at 382.9m shares through

receding, market attention switched once again to Ranks Hovis McDougall, regarded as a possible alternative target for Hoylake and where a Goldthe Seaq system compared with 450.5m on Thursday, marking an unwelcome return to the generally unviable business levels which have plagued smith company already has a stake. Elsewhere, building shares returned to favour despite lingering hints that the London market recently.
Within the context of a lightly-traded market, many of the recent bid stocks re-appeared in the list of share gains. BAT industries rose smartly as the board disclosed, following the shareholder vote at yesterday's egm, that the group had bought in 2.5m shares and might buy more today: thereaf-

ter, share buybacks must wait until after the quarterly trad-ing figures are released. With prospects for the Hoy-

another housebuilder may have run into difficulties. Interest rate concerns were again soothed yesterday by a firm performance from sterling. However, the rise in bank lending provided a backdrop for last night's speech from the Chancellor and for the announcement next week of the latest UK monthly trade lake consortium's bid for BAT statistics.

FINANCIAL TIMES STOCK INDICES 1772.1 1758.6 2189.3 2170.1 2135.5 2 Ord. Oiv. Yield Earning Yid %(full) P/E Ratio(Net)(☆) SEAO Bargains(5pm) Equity Turnover(2m)† Equity Bargains† Shares Traded (ml)† nges Day's High 1 Open 10 a.m. 11 a.m. 12 p.m. 1 p.m. 1750.1 1750.9 1767.2 1771.7 FT-8E, Hourly changes Day's High 2 Open 10 a.m. 11 a.m. 12 p.m. 1 p.m. 2161.3 2183.2 TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for most Alpha securities dealt through the SEAC system yesterday antil 5 pm.

16	13	Ago	High	Low	High	Low
85,27	83.79	89.15	89.29 (8/2)	83,75 (14/6)	127.A (9/1/35)	49.18 (3/1/75)
93.77	94,06	97.76	99.59 (15/3)	93.20 (19/10)	105.4 (28/11/47)	50.53 (3/1/75)
1780.3	1815.0	1512.5	2008.6 (5/9)	1447.8 (3/1)	2006.5 (5/9/79)	49.4 (26/6/40)
184.9	204.7	172.2	215.2 (28/9)	154.7 (17/2)	734.7 (15/2/83)	43.5 (26/10/71)
2163.4	2233.9	1864.3	2426.0 (5/9)	1782.8 (3/1)	2443.4 (18/7/87)	986.9 (23/7/84)
4.85	4.51	4.60				Phopel Int. 1928,
11.18	10.85	11.54			id mines 12/ 소시비 10.74	9/55. Besis 1000
10.78	11.11	10.49	F1-8E N	M 2A 15.62	2 MH 1034	
57,410	26,312	26,484	GIL	T EDG	ED AC	TIVITY
767.67	963.70	1384,46	Indica	4*	Oc	2 16 Oct 17
680.5	26,515 413,9	26,781 452.2	Gilt F	dged Bar	cuetos 11	9.3 115.0
			E-D	ty averag		0.4 104.5
778.1	Day's	Low 1750.1		-		
2 p.m.	3 p.m.	4 p.m.	7 SEA	CHARA IA	4. JEXUNUS	ng intra-market r. Calculation of
1772.2	1775.3	1772.9	the Fi	Indices a	ł daliy Ecul	v Barcains and
195.4	Day's	Low 2161.3	e Eoully	Barosina	and Equity	tay averages of Value, was dis- I values for July
2 p.m.	3 p.m.	4 p.m.		diable on	mouest.	, 1200 IO CO.
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A complicated agreement between UAP, the French insurance group, and Transa-merica, the subsidiary of Liberty Life of South Africa, seemingly called a truce over the battle for control of Sun Life of the UK and saw the last The deal between UAP, which speaks for almost 23 per-cent of Sun Life, and Transa-merica, holder of 29.8 per cent, effectively gives both sides the opportunity to buy each other's stakes at a price agreed by both sides. It also allows for UAP to increase its holding

Dealers, having pondered over the terms indicated in the exchange of letters between the companies, said the most likely outcome would be a French bid for Sun Life, although this could be some time away. The market agreed with this view, and Sun life chares closed 60 higher at 1158p on turnover of 311,000, well up on usual levels for the

UAP and San Life in Septem-

group, continued to edge lower on adverse press reaction after: Wednesday's figures and as results were in line with expectations but analysts said the high level of interest rates would eat into earnings in the

BZW analysts downgraded their profit forecast to £100m from £140m, compared with £131.1m last year. UBS Phillips & Drew downgraded to £105m from £150m; and County NatWest WoodMac left unchanged its previous £100m

Mr Mark Stockdale of BZW said: "Beazer is the highest risk stock in the sector. A lot of investors have got tired of the risk profile of the group and don't like the level of gearing High interest rates mean it is going to be a tough year." He expected its share price to consolidate but warned that further falls were possible. Beazer closed down 3 at 135p

Joining

boards

Eurotunnel

join the boards of Eurotunnel

pic and The Channel Tunnel

Group Ltd, together with

Eurotunnel SA and France

Menche SA.

and said a break below that level could be followed by further declines.

GrandMet upset

A profits downgrading for Grand Metropolitan from Hoare Govett provoked an ini-tial sharp fall in the share price and an irritated reaction from GrandMet as well as

prompting the company's broker to leap to the defence of existing forecasts.

Mr Andrew Buchanan, the Hoare analyst, cut his current year forecast from £905m to £865m and estimated earnings this year at 49.7p, growing to

57.7p next.
"With the benefit of hindsight that will look good in the market context," said Mr Buch-anan. But Mr Geof Collyer, at GrandMet's broker, County NatWest WoodMac, said that Hoare's earnings figures "seem a little astray." He is sticking with his prediction, and particularly to share earnings num-bers of 54p this year and 62p

Early news of the downgrading meant GrandMet opened at the lowest of the day at 532p. The shares recovered steadily as the debate rumbled on to end a net 4 lower at 541p. A busy 5.9m shares changed hands.

Reports that the damage done to San Francisco oil pipe-lines and refinerles by the earthquake was minimal took oil prices lower and left the oil and gas sector mixed despite-the overall rise in equity

Shell, after the recent outperformance prompted by switching into the stock from Royal Dutch, came under pressure. The shares closed a shade off at 437p on turnover of 3m well below recent levels of

activity.

Mr Philip Morgan, at Citicory Scringgour Vickers, said facturing sector made slow progress as its defensive qualities one, that the yield relative to the FT All-Share Index.

Metal of Courses were at a forthwest control of the market began to regain its at a four-year low. Two: that the price relative to the All-Share was out of line. Three: that the price relative between BP and Shell was currently at a two-year high in

favour of Shell. BZW, recommending a switch from Shell to BP, said that the trigger for a re-rating of Shell could come with the release on Tuesday of third quarter figures from Shell Oil, the US subsidiary. BZW reckons Shell Oil's net

500 Dow Jones Industrial Averages **Hourty** movements

2000

on 9 at 199p.

at 193p.

Dixons rebounded after three weak days, helped by a recurrence of vague talk of a

id from Rank Organisation.

Marketmakers were sceptical

of the notion, but the shares

firmed 7 to 113p anyway.

Mr Paul Deacon, analyst at

Goldman Sachs increased his

profits forecaet for Marks & Spencer by £15m to

£590m, largely on likely improvements in gross mar-

gins and retail trade talk of

business holding up well. M&S

is the only retail major with a

buy recommendation from Goldman. The shares added 7

Other leading stores were caught up in the sector's opti-

mism. Gus "A" climbed 20 to 1044p, Sears firmed 3 to 107p, and Kingfisher put on another

10 to 291p in a relatively good week for the shares.

Analysts at County NatWest

October 1989 income will come out at \$340m Thoughts of festive season against a second quarter figure of \$440m, due in part to a purchasing helped Batners climb 9 to 250p, while USM-quoted Clinton Cards put downturn in the group'e chem-

exposure to chemicals (against BP'e much smaller exposure) could trigger the switching BP managed a 1½ improvement at 299p on turnover of

icals business and that its

4.6m, well down on recent daily volumes, sometimes above the 20m mark. Burmah were boosted by sustained buying from one US securities house which left the

shares 10 higher at 639p.

Ranks Hovis McDougall moved strongly ahead on speculation that a bid by Sunningdale had become more likely after BAT shareholders agreed a management proposal to restructure. Analysts said the move would strengthen BAT'e defences against Hoylake's hostile bid. Sunningdale, the investment vehicle controlled partly by Sir James Goldsmith, owns 29.9 per cent of RHM, which closed up 21 at 435p.

composure,

Vaux as the price climbed 7 to 3250 which eparked talk of stakebuilding. Vaux owns Swallow Hotels, and Queens foot Houses has an 8% per cent stake in the company. Queen's Moat finished unchanged at 100p. Among second liners, High-

There was busy trading in

land Distillers put in a belated good performance on the back of Monday's figures. The shares jumped 19 to 245p.

WoodMac changed their short term recommendation on Burton from a sell to a hold while at the same time emphasising

their longer term caution.

"The company has good management, coets are controlled and they recognise demographic changes," said country. "But they show a lack of creativity in attracting those older, more up-market custom-rers." Burton finished 6 better at 1960 on good volume of 3.8m shares.

Polly Peck closed up 10 at 300 pa e the company announced the success of its recent rights issue which closed on Tuesday. The company said 97 per cent of share-holders had applied for the shares.

The property sector recovered from recent weakness helped by a shortage of stock.

Land Securities and MEPC both rose 15 to 512p and 504p.

Sot 60% Prize damps

Sot 60% their longer term caution.

Land Securities and MEPC both rose 15 to 512p and 504p

respectively.
Shares in Rolls-Royce added 2 to 172p as it said it would be building the engines for two 747-400 freighters ordered by

Cathay Pacific: Vickers closed up 3 at 230p as it was announced that IEP holdings, controlled by Mr Ron Brierley, the New Zealand businessman, had increased his stake in the company to 14.6 per cent.

An analyst said: "I think gain of 4 on the day. Brierley's move is strategic and I expect his stake to go higher. He will probably wait and then pass it on to the highest bidder."

Hawker Siddeley eased back as the market decided to slap a "could do better" note on the company following closer examination of the previous day'e interim results. Shares closed at 648p, a drop of 10 on

MEDWAY PACKAGING LTD
v MEURER MASCHINEN
GMBH & CO
Queen's Bench Division:

Mr Justice Hobbouse:

October 11 1989

A UK DISTRIBUTOR of goods

try, if the obligation of reason-

which his action is based

Article 5 of the Convention on Jurisdiction and the Enforce-

ment of Judgments in Civil

and Commercial Matters, incorporated into English law by the Civil Jurisdiction and

Judgments Act 1982, provides: "A person domiciled in a con-tracting state may, in another

contracting state, be sued: (1) In matters relating to a con-

tract, in the courts of the place

of performance of the obliga-tion in question . . ."

HIS LORDSHIP said that Meu-rer, a West German machine manufacturer, was domiciled in the Federal Republic of Ger-

of performance of the obliga-tion in question."

Germany, Medway claimed damages for breach of con-

It alleged that Meurer had appointed it as exclusive distributor of its machinery in the

UK from February 1981, and that in breach of that agree-

By writ served on Meurer in

performed in the UK.

Medway's claim.

ble notice of termination on

Among motors, Jaguar edged up a little as the market awaited the outcome of discussions that the company is having with General Motors about it acquiring a stake in Jaguar on friendly terms. Some 2.8m running at high levels for some shares were traded as the weeks. SG Warburg, scheduled to announce figures around November 21, added 5 at 419p. share price closed at 667p, a

A bear squeeze developed in the building sectorwhere the leaders and second-liners raced away as the session wore on. Redland jumped 19 to 495p, RMC the same to 641p, Taylor Woodrow 9 to 274p and Wimpey 21 to 243p, after 249p. Rugby advanced 13 to 151p. Some of the smaller housebuilders showed exceptional gains.

The takeover speculation surrounding Morgan Grenfell, the merchant bank, quietened and the shares ran back 9 to Provident. 379p. Dealers pointed out that turnover in the stock has been

Takeover speculation returned to the life assurance sector where Britannic jumped 14 to 517p and Refuge 10 to 579p; the companies are con-nected via cross shareholding with Refuge holding 10 per cent of Britannic and the latter 7.3 per cent of Refuge. French insurance group Athena has a 9.34 per cent stake in Refuge,

announced on monday.

Pearl rose 10 to 638p after issuing the defence document to the bid from Australian

In composites Royal Insurance raced up 15 more to 465p on 24m with a US fund said to have been an aggressive buyer of the shares. Insurance brokers made further progress.

Avon Enbber, moved strongly on favourable market sentiment following a visit by institutions to Cadillac Rubber and Plastics, the US subsidiary. The shares closed up 28 at

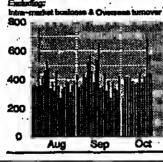
Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 25

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FT-A All-Share Index 1150 1100

Equity Shares Traded Turnover by volume (million)



having traded 2.3m shares. Dealers noted support at 185p

Sir Richard Butler, a director of NATIONAL EUROTUNNEL has appointed Baron de Wouters WESTMINSTER BANK and to the joint board. He is a directeur of Société Générale de Belgique, and vice president of Tractebel. He replaces Mr Management. He is chairman of Agricola (UK), part of the M.A. Dumont who has resigned. The Baron will thus Ferruzzi Group.

Investment

marketing director. He was sentor marketing manager of Gotabanken's London branch.

will be a member of the bank executive committee. He will become head of treasury in specession to Mr Peter Whitham. Mr Guy was a director of the KLEINWORT BENSON GROUP.

Mr Bill Parfitt (above) has Mr Ian C. Clarke has been appointed obsporate divisional manager in the asset finance been appointed managing director of Lex Mead, part of the LEX RETAIL GROUP. He division of KEY BUSINESS was operations director of sis-FINANCE CORP. He was with ter company Shaw & Kilburn.



Mr Hugh Stewart (above) has been appointed non-executive chairman of the SCHEDULING TECHNOLOGY GROUP. He moved to the group following his retirement as group chief executive, Westland Group.

■ MITSUBISHI ELECTRIC UK has appointed Mr Neville Reyner to the main board as director of electronics. He was general manager, electronics division.

■ SMITH BROS & WEBB Alcester, has appointed Mr Ken Harrison as managing director. He was managing who becomes executive director of property management and land

development....

& Co, one of the company's legal advisers.

C.E.Heath Group subsidiary posts

Heath North American G.P. Goode and Mr D.R.D. and Mr R.M. Kimber and Mr P.E. Price assistant directors.

authorised another company to act as distributor, and had pur-ported to terminate its agreement with Medway without giving reasonable notice. Med-way had accepted Meurer's conduct as a repudiatory breach of contract. It claimed

ment in 1988 Meurer had

Distributor of German goods can sue in UK

2269,456 damages.
In the present proceedings
Meurer applied under Order 12
rule 8 of the Rules of the
Supreme Court to set aside service of the writ, and for a decmanufactured in a country which is party to the 1982 Civil Jurisdiction Convention, may sue in the English court for breach of the distribution agreement though the manu-facturer's underlying obligalaration that the court had no tion to sell to him at discount should have been performed ex works in the foreign coun-

FT LAW REPORTS

jurisdiction. Medway had shown it had a good arguable case that it had an exclusive distributorship agreement with Meurer, and that it was entitled to reasonable notice of termination.

should arguably have been Medway's cause of action was for alleged wrongful repu-Mr Justice Hobhouse so held when refusing an application by the defendant, Meurer Mas-chinen GmbH & Co, to set aside proceedings served on it diation of the agreement in 1968. The damages would be the profits which Medway would have earned during the alleged notice period had Meu-rer continued to sell to it and in West Germany by the plaintiff English company, Medway Packaging Ltd; and for a decla-ration that the English court to give it the exclusive right to had no jurisdiction to hear

resell in the UK.

The relationship between Medway and Meurer was one of buyer and seller, not agent and principal. No agency role was involved.

Meurer's obligations under the agreement were (1) in Germany, to sell goods to Medway at a discount; (2) arguably, not to sell goods to any other UK importer; (3) arguably to give Medway reasonable notice before terminating the agree-

Under article 5 of the Convention, Medway needed to persuade the court that the place of performance "of the obligation in question" was the Medway contended that article 5(1) must be given a

many. The UK and West Gerbroad interpretation, as referring to the country with which the contract had the closest many were contracting states under the 1982 Civil Jurisdicconnection. It said the relevant "obligation" was that which characterised the contract. tion Convention.

Article 2 of the Convention provided that persons domi-Meurer contended that the ciled in a contracting state should, whatever their nationality, be sued in the courts of that state. Under the special jurisdiction in article 5(1), a place of performance of the obligation was Germany, because that was where the goods were sold and delivered to Medway. The language of article 5(1) person domiciled in a contract-ing state might be sued in contract in the courts of "the place

- "the place of performance of the obligation in question" -did not tell the court how it was to identify the obligation to which it referred. It could be the secondary obligation to pay damages for breach of contract; or a negative obligation not to break a contractual undertaking or it could be the obligation which the defaulting party was alleged to have

failed to perform; or the obligation to be performed by the plaintiff. Article 5(1) could be, as Med-

way contended, referring to performance of the contract in question, thus referring to the substantial place of performance of the contract viewed as a whole, not having regard to the specific obligation which was alleged to have been bro-

The relevant decisions were De Bloos o Bouyer 1976 ECR 1497 and Shenavai v Kreischer 1987 3 CMLR 782, relied on by Meurer, Medway's submissions were directly contrary to those authorities.

In De Bloos a Belgian distrib-utor complained a French mannfacturer had unflaterally terminated his distributorship contract without notice. The European Court stressed that the obligation to be taken into account was "that which corresponds to the contractual right on which the plaintiff's action is based." The decision excluded a construction based on place of performance of the successive sales concluded in

It also rejected the construc-tion based on the place with which performance of the con-tract had its closest connection. Ivanel o Schwab [1982] ECR 1891 gave some support to that broader approach in relation to contracts of employ-

performance of the outline con-

ment. Shenavai raised the question whether De Bloos provided the general test and *foanel* the exception, or the other way round. The court upheld *De* Bloos as the general test. With regard to the *Ivanel* test (the obligation which characterised the contract), it said that contracts of employment differed from other contracts by virtue of "certain particularities" arising from the relationship of master and servant and the framework of employment law.

In the present case neither party's submissions corresponded to the law as formulated by the European Court.

Medway's eubmission was minimal to the window was minimal to the window. equivalent to the rejected Iva-nel test. Meurer's submission was contrary to De Bloos. It did not look but plaintiff's cause of action, but rather to the formulation or causation of the plaintiff's loss.

The supply of goods by Meu-rer to Medway was indeed the underlying factor by reference to which Medway'e damages claim would have to be assessed. But that was not the same as the cause of action on which Medway relied.

Medway had accepted the alleged repudiatory breaches by Meurer as entitling it to to terminate the contract and claim damages. Those breaches were the alleged failure and refusal to give to Medway rea-sonable notice, and the alleged appointment of another UK distributor.
That was conduct on Meu-

rer's part on which Medway relied to found its cause of action.

Both breaches took place in

The obligation to give notice to Medway was to be per-formed in the UK. The obligation not to supply any other UK distributor was an obliga-tion which Medway could say had to be performed in England as much as in Ger-many. It could rely on the breaches or anticipatory breaches, which were arguably committed within the English court'e jurisdiction.

Those were the obligations which corresponded to the rights on which Medway's action was based.

The secondary obligation to compensate for breach of con-

tract must not be categorised as an independent contractual obligation within article 5(1). It was remedial in character, arising in substitution for and replacing the primary contractual obligations.

Accordingly, Meurer's appli-cation to set aside the writ

failed. For Medway: Duncan Mat-hews (Middleton Potts & Co)

For Meurer: Peter Brunner Rachel Davies

Barrister

MR ANDREW HARVEY

On September 21 we published an article by Ian Lupson and Martin Piers under the heading Director's personal liability: the increasing risk."

The authors referred in the

article to the case of Saunders o Harvey in which the defen-dant was co-director with his wife of a company which car-ried on business as a flooring sub-contractor. We have since learned that

there is another Mr Harvey, Mr Andrew Harvey, who is manag-ing director of another company, PAF plc trading as Plat-form Access Flooring, which is in a similar line of business but was in no way connected with the case. The authors and the FT apologise to Mr Andrew Harvey for any misunderstanding caused by the article.

Sun Life

named's shares surge ahead.

from the current level to 26 per

ock Transatlantic commenced its stake-building operation in Sun Life in 1980, increasing its stake to 25 per cent by 1984. It prevented a proposed shareswap arrangement between

ber last year.

Beazer downgrade Beazer, the UK building materials and housebuilding analysts downgraded their profit forecasts. Beazer's

current financial year.

NEW HIGHS AND LOWS FOR 1989

APPOINTMENTS County NatWest

chairman NatWest Investment Bank, has been appointed chairman of County NatWest Investment

Mr Robert Simons has joined LONDON AND PROVINCIAL FACTORS as

■ Mr Philip Guy is joining HILL SAMUEL BANK as a director from November 1, and

■ RELATIONAL TECHNOLOGY. INTERNATIONAL has appointed Mr Roger Tilbrook as finance director. He was finance director of Norsk Data.

director of A.V.W. Wilcomatic, and succeeds Mr Ken Woolley

m BUSINESS SALES GROUP has appointed Mr Grayson Taylor as managing director of the Taylor National division, following the acquisition of the Taylor National residential care and nursing home property agency founded by Mr Taylor.

Mr David Barrett has been appointed company secretary of ALLIED RESTAURANTS. He was with Dickinson Manser

Mr Brian Holford has been appointed a director of THE THROGMORTON USM TRUST.

■ HENDERSON INVESTMENT SERVICES has promoted Mr Rupert Carnegie to the board.

C.E. HEATH GROUP has made the following appointments: at C.E. Heath (North America) Mr C.J.T. Stewart and Mr P.E.W. Day become directors, Mr G.G. Dixon, Mr P.S. Holdway-Davis are made associate directors; and Mr K.D. Reckhouse an assistant director; and at Reinsurance Broking Mr LH. Roake becomes a director, Mr Higham associated directors;

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar rallies on Fed action

THE DOLLAR and sterling finished towards the top of their ranges on the day in Europe yesterday. Action by the US Federal Reserve to drain liquidity from the New York banking system, via four-day matched sales, was regarded as an indication that there is now less chance of a further easing of monetary pol-

This view was reinforced by a continued recovery of share prices on Wall Street. The move by the Fed and the more confident tone on world equity markets provided support for the dollar

Earlier in the day the dollar fell through a technical sup-port level of DM1.84 on news that the US consumer price index rose only 0.2 per cent in September, compared with market forecasts of a 0.4 per cent gain. This encouraged speculation that the Fed might ease again, leading to a fall in the dollar to a low of DM1.8375. The later action by the Fed on The later action by the Fed on the New York money market pushed the US currency up to close at DM1.8520, below the Wednesday finish of DM1.8535 but nevertheless a strong rally. In terms of the yen, the dollar rose to Y141.95 from Y141.65, but it fell to SFr1.6235 from SFr1.6260 and to from SFr1.6260 and to FFr6.2875 from FFr6.2950. On

€ 1	N NI	EW Y	ORK
Qct.19	la	test.	Previous Close
3 months 2.39 - 2		0.83pm 2.36pm B.28pm	1.5915-1.5925 0.84-0.83pm 2.48-2.45pm 8.45-8.35pm
		NG IN	ny to the US dolla
		0ct, 1	
8.30 am 9.00 am 10.00 am 11.00 am 1.00 pm 2.00 pm 3.00 pm 4.00 pm		89.7 89.8 89.7 89.7 89.7 89.7	89.2 89.3 89.3 89.3 89.3 89.3 89.3
CUR	REN	CY R	ATES
Oct.19	Bank rate %	Special Drawing Rights	
Sterling # U.S Dollar Canadian \$	7 12.46	1.2443 1.27660 1.4983	1.11430

Austrian Sch	612	16 5741	14.4569
Belgian Franc		49.5768	43.1513
Danish Krone		9.21067	3.00346
Deutsche Mark.		2.35750	2.05343
Meete Guilder		2.66299	2.31852
French Franc		8.01322	6.97218
Italian Lira		1736.50	1512 11
Japanese Yen _		181.533	157.506
Norway Krone		8.82514	7.67976
Spanish Peseta J		150.410	130.975
Swedish Krona		8.22003	7.14155
Swiss Franc		2.06873	1.79737
Creek Drach		NIA	183,681
Irish Punt		0.88469	0.771356
ward t milt	استسا	0.00407	W. 11.2.30

Oct.19	Bank of England Intex	Morgan ^{eo} Guaranty Chaoges %
terling .5 Dollar .s. Dollar .angetan Dollar .ustrian Schilling .elgian Franc .angetan Franc .elgian Franc .elgian Franc .elgian Franc .elgian	89.6 69.6 104.8 107.9 105.0 115.0 115.0 111.8 100.9 98.8 137.4	-21.8 -8.5 +1.5 +10.7 -5.3 -0.0 +22.3 +16.0 +14.5 -14.4 -19.5 +68.1

1982 = 100. Bank of England Index (Base Average 1985 = 1001**Rates are forOct.18. OTHER CURRENCIES

Oct_19	£	\$
Argentina	1037.95 - 1046.30	650.00 - 655.00
Australia	2.0505 - 2.0530 7.1985 - 7.2090	1.2855 · 1.2865 4.5080 · 4.5380
Finland	6.7675 - 6.7880	4.2430 - 4.2450
Greece	261.80 - 266.30	163.95 166.20
Hong Kong	12.4565 - 12.4675	78075 7.8095
Korea(Sth)	116.90° 1060.65 - 1077.75	71.20
Koreacsur .,		668.80 - 674.00 B 29820 - 0.29750
Leocerationing	61.90 - 62.00	38.80 - 38.90
Malaysia	4.2950 - 4.3055 4164.70 - 4181.45	26890 - 26910
N. Zoaland	2,6920 2,6980	2608,00 - 2618.00 1,6825 - 1,6855
Saudi Ar	5.9965-5.9995	3.7500 - 3.7510
Sparabose	3.1225 - 3.1280	1.9540 - 1.9560
S. Af (Cm)	4 2200 - 4 2305 6.1950 - 6.3175	2.6425 · 2.6455 3.8760 - 3.9525
Tahwan	41.00-41.10	25 65 25.70
UAE		3,6720 - 3,6730
	"Selling rate	

MONEY MARKETS

Waiting for Lawson afternoon another £150m bills were purchased in band 2 at 14% per cent. Late assistance

of around £95m was also pro-

Bills maturing in official hands, repayment of late assis-tance and a take-up of Trea-

sury bills drained £210m with Exchequer transactions absorbing £120m and a rise in

the note circulation £70m.

These outweighed bank balances above target of £50m. In Frankfurt the West Ger-man Bundesbank left its credit

man Bundesbank left its credit policies unchanged at a regular council meeting. Official rates were increased at the previous meeting, and there was no expectation of a further move yesterday. Call money remained firm at 7.95 per cent, but is expected to access corrections.

but is expected to ease away from the S per cent Lombard emergency financing rate

Liquidity has been helped by slight increase in funds at

this week's securitles repur-

chase agreement tender. The market will also benefit from some DM6bn flowing into the

banking system today as Gov-ernment bonds mature.

lem with banks' reserve hold-

ings at the Bundeshank at present, and if this continues until the end of the month it

should also encourage an easing of pressure on rates. Banks

reserve holdings averaged DM59bn for the first 17 days of

October.

There is no apparent prob-

A LARGER than expected rise in September bank and building society lending (M4) caused some concern on London's financial markets yesterday but had little impact on interest rates in London. Threemonth sterling interhank closed at 15½ 15 per cent com-pared with 15½ 14½ on Wednes-day. On Liffe December short sterling finished around the middle of the day's range at 85.45. This was lower than the previous close of 85.53, but was considered a reasonable performance in the circumstances. Political implications and continued nervousness after

UK clearing kank base lending rate 15 per cent from October 5

the volatility in equity markets make a further rise in UK bank base rates unlikely, but dealers also doubt that a cut in rates is possible in the near future. Apart from the M4 lending

figure, there were no other shocks in yesterday's UK eco-nomic news, leaving the mar-kets to wait for the Mansion House speech last night to the City of London hy Mr Nigel Lawson, the UK Chancellor.

The Bank of England forecast a money market credit shortage of £350m, hut revised this to £550m at noon. Total help of £567m was provided. Before lunch the anthorities bought £322m hank hills in band 2 at 14% per cent; in the

Bank of England figures the dollar's index eased to 69.6

from 69.7. from 69.7.

Sterling held firm for most of the day. This reflected a reluctance to go short of the pound ahead of last night's speech to the City of London by Mr Nigel Lawson, the UK Chancellor, at the Mansion House. Speaking in Parliament, before going to the City. Mr Lawson reaffirmed the City, Mr Lawson reaffirmed that the Government's policy was to join the Exchange Rate Mechanism of the European Mechanism of the European Monetary System. He also restated his policy that interest rates would stay as high as necessary, for as long as necessary, to get inflation down.

Mr Lawson underlined these points in his speech at the Mansion House, but his failure to provide a date for entry into the ERM is likely to disappoint

tha ERM is likely to disappoint the market, leading to a reopening of short sterling positions today The market was disan-

gending (M4) in September, Du
the data may not be as bad as
it looks.Analysts expected a
figure for M4 lending of about
£7.2bn, compared with £8.4br
in August, but Mr Nick Par
III August, out the two Pic
sons, economist at Union Dis
count, pointed out that the
extra lending had not gone into
financing consumer spending
or into the housing market. He
OL TURN THE HORSTOR HIST VECT ITE
suggested that it might be bor
rowing by manufacturers to
finance unsold stock; should
this prove to be the case, it
would be an indication of a
wome be an initication of a
sharp slow down in the UK
economy.
Sterling rose 55 points to
er 5040 and also advanced to

pointed yesterday at figures

showing a sharp rise to £10.2bn in bank and building society

economy.
Sterling rose 55 points to
\$1.5940, and also advanced to
DM2.9525 from DM2.9450; to
Y226.25 from Y225.00; to
FFr10.0225 from FFr10.0000;
and to SFr2.5875 from
SFr2.5825. The pound's index
rose 0.3 to 89.6.

Tha mar	Ket was	msab-	TORE OT M	09.0.			
EMS EUROPEAN CURRENCY UNIT RATES							
	Ecu cestral rates	Correacy amounts against Eco Oct, 19	% change from central rate	% change adjusted for divergence	Distrigence itmit %		
ish Krose ish Krose pan D-Mark ish Franc de Gelider Pint an Lita	42,4582 7,85212 2,65953 6,90403 2,11943 0,768411 1483.58 133.804	43,1513 8,00346 2,05343 6,97218 2,31852 0,771356 1512,11 130,975	+153 +053 +054 +054 +058 +152 +152	+1.06 +1.36 +0.82 +0.42 +0.61 +0.19 +1.85 -2.07	±1.5424 ±1.6419 ±1.1019 ±1.3719 ±1.5019 ±1.6689 ±4.0815		

Changes are	for Ece,	therefore	positive char	ige denotes a	weak carre

POU	ND SPOT	- FORWAR	id agair	ist t	HE POU	ND
Oct.19	Day's spread	Close	One month	% p.e.	Three months	% D.L.
S	1.5900 - 1.6065	1.5935 - 1.5945	0.88-0.86cpm	6.55	2.46-2.43pm	_61
nada	1.8700 - 1.8845	1.8720 - 1.8730	0.49-0.42cpm	2.92	1.32-1,21pm	2.7
therlands.	3.324 3.344	3.324 - 3.334	2-17-cpm	6.98	54-54pm	6.3
igium	61.75 62.15	61.90 · 62.00 11.464 · 71.474	30-26сря	5.42	83-76pm	51 10
mark land	11.464 11.534	11075 - L1085	14-14 oreșm 0.40-0.35 ouru	1.90	3½-2½pm 1.15-1.05pm	3.9
Germany	2944 - 2954	295 - 2955	14-13 phon	7.37	5-4300	6.6
rugal	251.50 253.70	251.50 252.50	21-11cm	0.76	38-19pm	0.4
He was	187.65 188.95	187.70 - 188.00	39-20cm	1.88	25-76dls	-1.0
y	2169 - 21774	21734 - 21744	5-3lirepm	221	13-11pm	2.2
rway	10.994 - 11.054	10.99% - 11.00%	3%-3% orepro	4.09	1012-95pm	3.5
лсе	9.994 - 10.0312	10.014 - 10.024	43-44-000	5.09	114-114pm	4.5
edes	10.24% - 10.29%	10.234 - 10.244	24-24 oreput	3.30	74-6500	2.7
NATI	225 5 - 2264	2254 - 2264	1%-1%ypm (9.28	45-45pm	8.2
tria	20.71 - 20.83	20,71 - 20.74	124-11 Lgropm	6.80	32 G-29pm	5.9
itzerland .	2594 2594	2.584 2.594	14-15cpm	7.83	45-43-pm	6.9
V	1.4360 - 1.4410	1.4360 - 1.4370	0.55-0.52cpm	4.47	L62-1.57pm	4.44

DOTT	AR SPOT-	FORWAR	D AGAI	AST .	THE DOL	LAR
Oct_19	f2:3y's Spread	Close	One month	% p.a.	Three months	%
UK†	1.8360 - 1.8525 157.65 - 158.20 117.15 - 117.45 13525 - 13644 6.874 - 6.924 6.235 - 6.294 6.395 - 6.435 140.85 - 142.00 12.94 - 13.025	6.285 - 6.29 6.42 - 6.425 141.90 - 142.00	0.88-0.86-pm 0.28-0.25-pm 0.35-0.37-dis 0.13-0.11-pm 250-3.00-dis 3.00-3.40-refis 0.12-0.10-pm 60-70-sis 4.20-4.70-les 1.20-1.55-redis 1.20-1.55-redis 0.30-0.85-dis 1.70-1.90-redis 0.30-0.85-dis 1.70-1.90-redis 0.30-0.85-dis 0.30-0.90-redis 0.30-0.15-pm 0.18-0.15-pm 0.17-0.16-dis	659 688 615 675 689 615 689 687 687 687 687 687 687 687 687 687	2.46-2.43 pm 0.95-0.85 pm 1.00-1.04 de 0.30-0.25 pm 7.30-3.15 de 7.30-3.25 pm 2.55-2.25 pm 2.55-2.25 pm 2.56-2.35 de 2.56-2.35 de 2.56-2.35 de 2.66-2.35 de 0.47-0.36 pm 0.47-0.44 pm 0.47-0.44 pm	6.14 2.82 3.49 0.93 4.41 0.47 -5.51 -3.83 -2.58 -1.63 -2.44 0.17 0.95
presidents and	ates taken towards the discounts apply to total frame 39,00-39.	he end of London training to the US dollar and not	ling.† UK and trela to the individual o	und are que surrency. I	oted in US current Belglan rate Is for	y, Forward Connectible

E	URO-CL	JRREN	CY INT	EREST	RATES	
Oct 19	Short term	7 Days motice	Qne Month	Three Months	Six Months	Que Year
orting	15-164 84-85 121-1114 81-8 81-91 77-714 77-714 91-91 9	15-144 81-112 121-112 121-112 121-122 131-122 131-122 141-123	151-15 81-82 12-11-8 772-75 772-75 772-75 12-12-12-12-12-12-12-12-12-12-12-12-12-1	154-148 84-81-124-118 84-718 84-718 124-124 12	143-142 8-85 113-113 80-75 71-75 10-95 125-125 95-95 65-95 125-12 81-12 95-12 95-12 95-12 95-12	148-142 81-81 118-117 81-71 81-71 81-71 81-71 91-91 91-91 91-91 81-81 81-81

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Could for an emphasistate Can let	ayod od ha dar' m	to long off-off ha ci	al' ton lengo 4-0-	E hear cross?
Long term Eurodoltars: two ye years 876-814 per cent nominal. Si	भूतो, चित्रकी त्योद्ध बेल्ट दुर्जी है	TO US DOMAIS 200 Japa	ancte Yest; others, to	0.093/2, 004
				•

0cs_19	٤	\$	DM	Yes	F Fr.	S Fr.	HFL	Lira	CS	B Fr.
ŝ	0.627	1_594	2.953 1.853	226.3 142.0	10.02 6.286	2.588 1.624	3.333 2.091	2174 1364	1.873 1.175	61.95 38.86
DAL	0.339 4.419	0.540 7.044	1 13.05	76.63 1000,	3.393 44.28	0.876 11.44	1,129	736.2 9607	0.634 8.277	20.98 273.8
F Fr. S Fr.	0.998 0.386	1.991 0.616	2947 1.141	225.8 87.44	10. 3.872	2.583 1	3.326 1.288	2170 840.B	1.869 0.724	61.80 25.94
H FI. Lira	0.300 0.460	0.478 0.733	0.886 1.358	67.90 104.1	3.006 4,609	8.776 1.190	1 1.533	652.3 1000.	0.562 0.862	28.59 28.50
C 5 8 Fr.	0.534	0.851	1.577	120.8 365.3	5.350	1.382 4.178	1.779	1161 3509	3.023	33.08 100.

TOTAL VOLUME IN CONTRACTS : 94,969 sk 8-8id C-Call P-Pat

.00 a.m. Qct.19)	3 months US dottars	6 azontás US Dolfars		
bid 8.2	offer 8B	M 82	offer 8,2	

MONEY RATES Treasury Bills and Bonds 7.45 8.01 7.77 7.95 7.84

THE THREE AL INTERVENUES.	- TW	10 JOH		7.86 30-ye	r	7.99
0ct.19	Overnight.	Core Month	Tero Months	Three Months	Six Months	Lowbard Intervention
Frankfurt. Paris Zorich Amsterdam Tötyo Millan Brussels Dublin	7.90-8.00 94-10 61-63 8.00-8.10 6-6; 124-125 10.25 101-104	7.958.10 913.1014 713.774 8.12-8.22 613-64 12-51-12-5 93-911 10-5-10-4	7.90-8.05 913-1011 - - - 1014-107	8.00-8.20 10-101- 75-77- 8.12-8.22 68-611- 125-131- 95-98 104-11	7.95-8 15 93-8 1	8.00 9.50 - - - - -
	LOND	M MC	ONEY	RATE	ES	
Oct 19	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Office	15	1 15	1 151	1	2010	

Oct 19	Overnight	notice	Month	Months	Months	Year
Interback Offer Interback Offer Interback 81d Sterling CDs. Local Authority Deps. Local Authority Bonds Oistoont Mit. Deps. Company Oeposits Finance House Deposits Finance House Deposits Treasury Bills (Boy) Bank Bills (Boy) Fine Frade Bills (Boy) Dollar CDs. SOR Linked Dep. 81d ECU Linked Dep. 81d ECU Linked Oep. 81d	14%	15 14% 14% 14% 	15-5-15-15-15-15-15-15-15-15-15-15-15-15	1919 14 - 1919 1	1444 - 150 - 1547 - 1544 - 154	14% 14% 14% 14% 14% 14% 10%
T						

Treasury Bills (seff): one-month 14% per cent; three months 14% per cent; Bank Bills (self): one-month 14% per cent; three months 14% per cent; Treasury Bills; Average tender rate of discount 14.5% of p.c. EGGO Fixed Rate Sterling Export Finance. Make up day September 29, 1989, Agreed rates for period October 25,1989 to November 25, 1989, Scheme I; 14.82 p.c. Scheme 14 Bill: 15.27 p.c. Reference rate for period Sept. 1989 to Sept. 29, 1989, Scheme I; 14.82 p.c. Scheme II A III: 15.27 p.c. Reference rate for period Sept. 1989 to Sept. 29, 1989, Scheme II 14.82 p.c. Scheme III A III: 15.27 p.c. Reference rate for period Sept. 1989 to Sept. 29, 1989, Scheme II 14.82 p.c. Scheme III A III: 15.27 p.c. Reference rate for period Sept. 1989 to Sept. 29, 1989, Scheme III 16.20 p.c. IIII 16.20 p.c. III 16.20 p.c. I

FE LI	RECELT FO	TURES I	PTEMS		LIFFE US \$100,000	THEASU	RY BOND 1 200%	VIUNES	OPIDOR
rike 100 100 100 100 100 100 100 100 100 10	Dec 4-05 3-12 2-22 1-40 1-03 0-40 0-24	ements Mar 5-24 4-36 3-52 3-08 2-33 2-00 1-35	Puts-se Dec 0-09 0-16 0-26 0-44 1-07 1-44 2-28	tilements Mar 0-26 0-38 0-54 1-10 1-35 2-02 2-37	Strike Price 95 96 97 98 99 100 106	Calls of Det 3-49 1-43 1-43 1-43 1-43 1-43 1-43 1-43 1-43	Mar 4-36 3-40 3-21 2-51 2-51 1-55	Patrice 0-11 0-19 0-33 0-35 1-23 2-04 2-56	1-16 1-38 1-63 2-29 2-63 3-36 4-13
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HOUS O	volume tota lay's open lut. S epyrenus Lucus, per SIL	Calls 18	1538 Pers 236 Pers 1	: 894 13467	LIFFE EI	ay's open b	nt. Calls 29	13 Pets 21	<u></u>
OUS 9	S GPTERNS Craits per SI Calls-setti Nov 14.70 1.70 1.70 0.37 0.05	Calls 18	236 Pals 1	894 13467 Ulements Dec 0.19 0.73 2.04 4.45 7.95 16.99	LIFFE EI	ay's open b 18000LLA	nt. Calls 29	13 Pets 21	0 111 6117 6.117 6.22 6.30 0.38 0.56 0.72

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	ASURY BONDS 32mb of 160		•		JAPANES Y12.5m S	E YEN C
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83.70 82.79 High 91.78 91.99 91.90 91.80 91.60 91.61 91.56 91.52 SWISS FRANC (IMM) SFr 125,000 S per SFr

PHILABELPHIA SE E/S OPTIONS £31,250 (cods per £1) 041 109 180 180 153 173 173

FUROPEAN OPTIONS EXCHANGE

		No.	v. 89	Fel	b. 90	Ma	y 90	
Series		Val	Last	Vol	Last	Vol	Last	Stock
old C old C old P	5 370 5 380 5 360	ES 154 75	6.50 2.40 2	9 -	15.50	5	24	\$ 368.10 \$ 368.10 \$ 368.10
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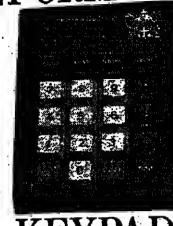
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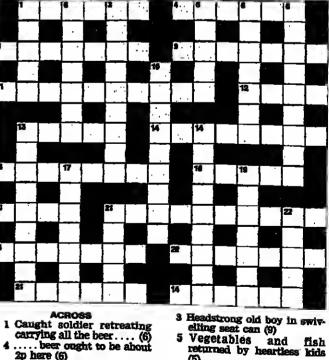
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ACROSS 1 Caught soldier retreating carrying all the beer (6)
4 beer ought to be about 2p here (6)
8 in exchange for a home in

In exchange for a home in Silver Street (7) Mend your old well (7)

11 Angers a nurse if it goes wrong (10) 12 Firm needing half yard of fabric (4)

13 Heard why egg producer goes round with a carnivore (5)

(5)
14 Met artist on turning in

very suspicious! (6)
16 Curse the AA man after

breaking down... (8)
18 when reversing; say

RAC rest time the Franch

20 Correct time the French way (4) 21 When finished has said ceremonial seat brought down

(19) 23 Back to finish renovation of Eros (7) 24 A wire container (7)

25 Sign on hospital a student is entering (6)
26 View of leading physician in a group (6) DOWN

1 Jocular parson working under lorry (5) 2 Free time that is left up to

industry (7)
19 Shorten a link (7)
21 Lives under very large article in fertile spot (5) 22 A tricky game (5) Solution to Puzzle No.7,067

6 One having a large bill for

food? (7) 7 If not duck, needs the right

sage (9)

10 Money taken off stays with buttons on the inside (9)

13 Back with crane, moving

obstacle (9)
15 Just eight sour — that's odd

17 Plant arbitrator goes into

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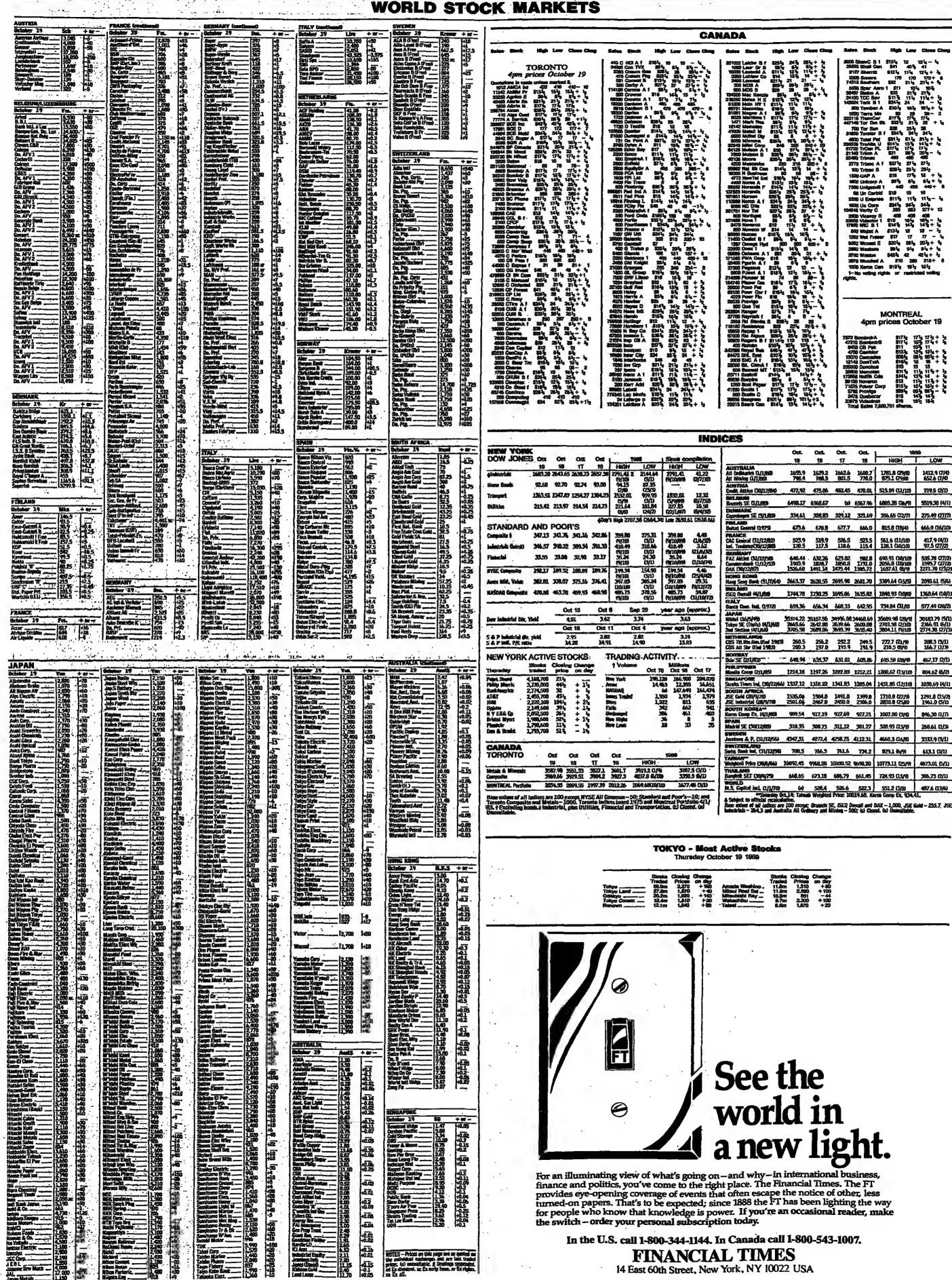
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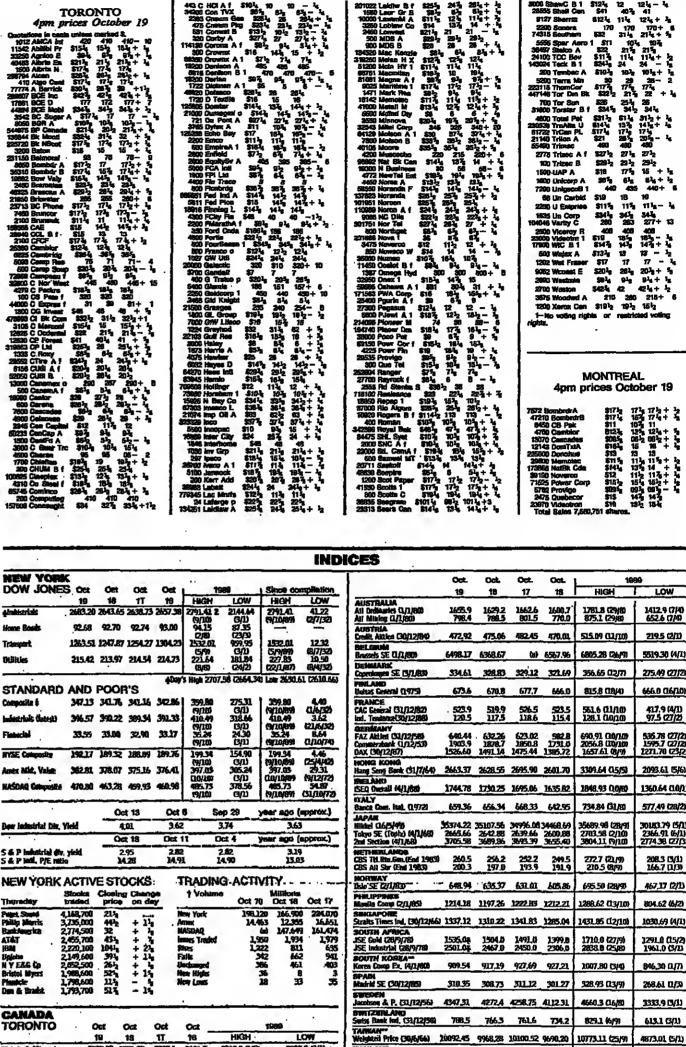
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AMEX COMPOSITE PRICES

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Takeover issues propel Dow higher

Wall Street

IN A DEFIANT celebration of the second anniversary of the 1987 Crash and the recovery from last Friday'e mini-Crash, the equity market yesterday rallied charply, writes Janet Bush in New York.

The Dow Jones Industrial Average closed 39.55 points higher at 2,683.20 on active volume of 198m shares

The most remarkable ingredient of the rally was that there was a sharp rebound in "deal stocks," issues which had been boosted by takeover spec-ulation and then plunged last Friday on news that financing for the UAL buy-out had col-

lapsed. Yesterday's renewed buying of rumoured takeover candidates appears to have been triggered by news that Chemi-cal Bank had successfully com-

The Dow is now less than 80 points below last Thursday's closing level, on the eve of Friday'e 190 point sell-off - so in less than a week, it has retraced well over half of its

Even before yesterday's rally in takeover stocks, many on Wall Street had been concerned that the market had recovered too quickly from Friday's sell-off, which thay viewed as necessary to squeeze some of speculative money out of the market. This camp will be even more concerned after sterday's apparent return of

hot money" to the market. The market started the ses sion on a positive note, after news that the consumer prices index had risen by only 0.2 per

pleted the bank financing for a buy-out of American Medical International, the troubled hosenergy components, the rise was still only 0.2 per cent. It was notable yesterday that

the Dow Jones Transportation Index rose 15.65 points to 1,263.51, having fallen for seven consecutive sessions as arbitrageurs piled out airline issues. Yesterday, UAL continued to languish, closing \$1% lower at \$190%, AMR elipped \$% to \$73%, Delta added \$2% to \$70 and USAir gained \$1 to \$41%.

Among recovering takeover issues, which were so weak on Friday, Hilton Hotels jumped \$3% to \$100, Paramount Commnnications added \$1% to \$58%, Holiday Corp gained \$1% to \$73 and F W Woolworth

rose \$1% to \$60%.

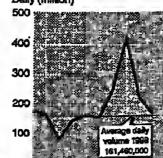
AMI itself, the trigger for yesterday's gains, added \$2 to A clutch of companies announced third-quarter earnings. AT&T rose \$1/4 to \$431/4

higher than a year ago and a special retirement offer for managers. American Express jumped \$% to \$37% after its improved results and news that it had added \$110m to loss reserves at its banking subsid-

Insurance stocks continued to profit from the earthquake in San Francisco which should tip the balance, towards increased premiums. American International Group jumped \$4 to \$106% and General Re added \$3 % to \$39 %.

Canada

A SHARP advance in active trading was recorded in Toronto, where the composite index was up as much as 50 points during the day. The index closed 40.15 points higher at 3,969.66. The index has regained all but 42 of the **NYSE** volume



October 1989

141 points lost in last Friday's

Trading volume eased to 26m and value fell to C\$382.7m from C\$397.9m. Advances topped declines by 415 to 246.

Connaught BioSciences amed C\$1% to C\$33%. Ciba-Geigy and Chiron, which have offered C\$30 a share for the company, entered a research spending agreement with the University of Toronto.

Golden opportunities fail to materialise

Kenneth Gooding on prospects for gold shares in the light of recent market turmoil

HE REACTION of the gold price - and thus of gold mining shares - to the stock market turmoil of the past few days has disappointed

There was only a brief rally in the bullion price to \$371 a troy ounce before it fell back to about \$365. Gold, which started the year above \$400 an ounce, has so far failed to make a sustained break through the psychologically-important \$370 level, closing in London yester-

day at \$368.75. Not all analysts are gloomy about the long term fundamen-tals, but most see little chance

of a short-term recovery.

Ms Rhona O'Connell, precious metals analyst at Shearson Lehman Hutton, says that gold has not benefited from a speculative "distress" interest as it did in 1987 because of its sluggish performance over the

past year. "However, it is also bereft of the heavy selling experienced in 1987, when there was selling from bolders looking to raise cash for margin calls. In addition, there is nothing like the volums of material available from mine producers this time. On balance, values look likely to stay in a narrow range for

the short term," she says.

Mr Robert Weinberg, precious metals specialist at James Capel, says that, this week, "gold did its job again, just as in October 1987. It maintained its value while everything else was plummeting.

However, he cantions gainst expecting any rush for gold while interest rates are high, and believes that it remains on a downward trend towards the range of \$285 to \$320 an ounce. "I wish I could find excuses to be builish about the gold price," he says; being bearish is bad for busi-

There is a small band of analysts, however, that suggests this might be the right time for investors interested in mining stocks to switch from hase metals producers, which have been riding the crest of a wave,

Gold mines

Australia Joint Gold

Sep 1989 Oct

to gold shares. At Kleinwort Benson Securi-

Golds

ties, mining analyst Mr Huw Williams points out that the three key gold share indices — the FT-A Gold (which includes only Sonth African companies), the Toronto Gold Share Index and the Australian Gold Mining Index - seem to have bottomed out this summer. "Gold itself appears to have

little downside risk at current prices and, while the npside might be somewhat restricted in the short term, the market appears to be in equilibrium and the fundamentals are

improving."
Mr Williams agrees with most analysts in believing that shares in the main North American gold companies are over-priced at current levels. He says: "Some Anstralian stocks offer more value and, even more so, some South Afri-can shares. But the fundamentals are looking trickier and trickier in South Africa and investors must go for the mines with the low costs." There are also some bargains among second line North American gold producers, "but these are certainly not for wid-

ows and orphans."

What might spark some life back into gold and related shares? According to Mr Ger-ald Pane, vice president of the bullion department at J P Morgan, three factors might do it. First, there need to be

changes in attitudes towards inflation, and the re-education of investors in North America, Japan and western Europe. Mr Pane recently told the Luxem-bourg gold dealers' annual conerence that, as time passes "the odds increase that gold's function as an inflation hedge could become more diluted or,

even worse, forgotten."
Ha pointed out that increasing investor sophistication in the industrialised world had seen funds moving into currencies, bonds or other higheryielding instruments, rather than non-interest bearing gold, even in difficult times.

Second, Mr Pane suggests, there should be a greater effort to develop new gold-related investment products.

There is, lastly, always the possibility that political events could send investors scuttling to buy gold again. Mr Pane suggests that the failure of glasnost in the Soviet Union might have this effect, or a serious threat to the US presidency of Mr George Bush.

SOUTH AFRICA

THE STRONGER bullion price pushed Johannesburg gold stocks higher. Vaal Reefs rose R9, or 3 per cent, to R314.

Continentals analyse the quality of their recovery

slipped their leashes and rose with little restraint yesterday, but voices were beginning to be raised about the quality and pace of the recovery, writes Our Markets Staff.
PARIS climbed strongly

again, triggering some worried remarks about things moving too far and too fast. But at least the attention was not confined to speculative stocks, as it was on Wednesday, and the blue chips got a look in. The better-than-expected

inflation figures from the US helped sentiment, raising hopes of an easing of credit by the Federal Reserve, and together these influences pushed the CAC 40 index up 46.92, or 2.6 per cent, to 1.875.05 and the OMF 50 index 14.51

higher to 518.17.
Turnover was estimated to be about Wednesday's FFr4hn. Crédit Foncier de France jumped FFr164, or 16 per cent, to FFr1,200, apparently buoyed by talk that pending tax legis-lation could make its property

assets even more attractive. Perrier had a powerful start, after Wednesday's 14 per cent surge. But it lost some of its speculative fizz when Exor, which holds at least 83 per cent, denied it was planning to sell. Perrier closed FFr32 higher at FFr2,031 after reach-

ing FFr2 125

Also in the takeover/rumour arena, Navigation Mixte closed FFr4 lower at FFr1,750-after hitting a high of FFr1.880, while Paribas was up FFr11 at FFr635 in active trading Pari-bas announced it was setting up a joint holding company with Lourho of the UK to share control of the French distribution company Scoa, in which it

has a 29.6 per cent stake.

BHV, the department store, dropped FFr44, or 5 per cent, to FFr796 when Proventus of Sweden revealed it had raised its stake from 5.45 per cent to 10.1 per cent, apparently disappointing those who sniffed a takeover in the air. FRANKFURT looked good as

the DAX rose 35.46, or 2.4 per cent to 1,526.60 for a 10 per cent rise over the past three days. The FAZ put on 8.18 to 640.44. However, the DAX is still 7 per cent lower than 10 days ago. A London market maker said that the big German SWEDES continued to buy large amounts of overse shares last month, while foreign investors were net buyers of Swedish shares for the first time since May.

The central Riksbank said Swedes had bought SKr4.03bn worth of shares in September, down from SKr4.40bn in August but up from SKr568m in the same month last year. Swedes have stepped up their buying of overseas shares since January 17; when the bank removed restrictions on foreign purchases.

Foreigners made net purchases of SKr88m. banks, which took on stock in

the crash two years ago, stood back on Monday when the index fell over 200 points, or 13 per cent; there was, accordingly, no supply of stock when buyers came back, and prices shot up again.
Blue chips have moved with

the tide but the effect has been uneven, especially on the border between primary and sec-ondary stocks. Continental, the tyre group seen as a takeover prospect, rose DM9.30 to DM332.50 yesterday for a 7 per cent rise since the beginning of the month, against a 3 per cent drop in the market.

Retailing has been a popular sector, with tax cuts and longer shopping hours on the way. But it has its anomalies. Karstadt, a retailer with question marks against its long-term prospects, was DM21 better at DM613 yesterday; at worst, it had fallen 26 per cent from DM635 on September 29 to only DM505 last Monday.

Another retailer to hit trou-ble yesterday was Asko, DM62 lower at DM765. Asko rejected a magazine report which ques tioned the authenticity of its profits. The financially-trou-bled Co-op, in the middle of a capital restructuring period, dropped DM45 to DM40.

ZURICH went off at a gallop in heavy trading, as insurers recovered Wednesday's earth-quake losses, and added a size-able premium. Swiss Re bearers rose SFr1,725, or 9 per cent, Foreign institutions joined

Swiss investors as the Crédit Suisse index rose 16.8, or 2.7

Jacobs Suchard ended SF1325 higher at SFr6,775. Brown Boveri retained its favoured blue chip rating, up SFr210 at

AMSTERDAM gained confidence from Wall Street's early strength and the US inflation-figures to end 1.9 per cent higher. The CBS tendency index rose 3.6 to 188.6, leaving

it just 2 per cent below its close last Friday of 192.8.

Macintosh, tha textile retailer that is 56 per cent owned by DSM, the chemical group, lost 80 cents to Fl 48.50 after it emerged that West Germany's Asko had built up an 8,8 per cent stake but did not intend to increase it. Asko was recently rebuffed from an alli-ance with another Dutch retailer, Ahold, after it revealed a 15 per cent stake in Ahold.

MADRID picked up slightly thanks to better news from the US and a late bout of buying in the electrical utilities. The general terms of the control of the c eral index gained 1.62 to 310.35. BRUSSELS was cautious but managed to end slightly higher, with the cash index adding 129.5 to 6,498.17. Petrofina, whose huge volume on Monday was blamed for the

computer breakdown, rose BFr100 to BFr12,300. Computer trading is to begin again next Tuesday.
STOCKHOLM rose strongly, although small investors remained nervous after Mon-day's plunge. The Affärs-världen General index gained

16.6, or 1.3 per cent, to 1,272.2.
Foreign demand helped push free B shares in Astra, the pharmaceuticals company, up SKr17, or 5.4 per cent, to SKr332 following positive press reports about Losec, the company's ulcer drug.

Ericsson, the telecommunications group, added SKr25 to SKr804 amid rumours that it was about to receive a large order from the US for its Axe telephone exchange system.
OSLO was boosted by selec-

tive huying of blue chips which propelled the all-share index up 12.39, or 2.5 per cent, to 5040 in husy trading.

2:40

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COPENHAGEN gained 1.8 cent amid renewed hopes that the Government would announce corporate tax cuts in the December budget.

Hunt for bargains helps Nikkei rise again

Tokyo

RENEWED faith in equities and a strong instinct for bargains supported another sharp rise in share prices yesterday that took the Nikkei average ell above the level it was at before Monday's collapse, writes Michigo Nakamoto in

The Nikkei average climbed steadily throughout the day to close up 266.66 at 35,374.22, not far off its high of 35,392.14. The day's low was 35,129.31. Advances greatly outnumbered declines by 645 to 293 and 186

decimes by 645 to 253 and 186 issues were unchanged.

Turnover rosa slightly to 362m shares from 841m on Wednesday. The Topix index of all listed shares gained 22.78 to 2,665.66 and, in London, the ISE/Nikkei 50 index rose 9.17 from the Tokyo close to from the Tokyo close to 2.057.70. Some institutional investors

were still wary, but individuals showed fervent buying interest in a wide range of issues. A wave of buying from newlylaunched investment trust funds gave an added boost. The market still lacked focus, however, and brokers tried to correct this by concentrating on special situations,

which attract bnying in an uncertain environment. Lead-

ing brokers see opportunity in the relative stability of the cur-rency markets and in receding

fears of another increase in the official discount rate.

Among issues recommended by the big brokers, those with speculative interest were well received. Companies in the Tokyu group took three places in the top five active stocks. A well-known speculator has already emerged as a leading shareholder in Tokyu Hotel, fanning expectations of further speculative rises in other group company shares.

Tokyu Corp, the railway company at the centre of the group, topped the most actives list with 58.9m shares traded and surged Y190 to a record Y2,270. Tokyu Land, a real estate company, second most activa with 27.6m shares, climbed Y40 to Y1,670. Tokyu Construction, fourth on the volumes list, advanced Y20 to

Tokyu's strength also spurred interest in other rallways and Odakyu Electric Railway, third most active stock with 26.2m shares traded, jumped Y140 to Y1,920.

Property stocks began to attract buying, as property development and resort building continues throughout the country. Mitsubishi Estate rose Y130 to Y2,300 and Mitsui Real Estate firmed Y100 to Y2,690. Companies with strong earnings returned to the spotlight. Amada Washino, a machine tool and industrial machinery maker, has attracted popular-

ity recently on its business performance and yesterday gained Y80 to Y1,310.

Osaka saw a shift of interest away from large capital issues to medium-sized railways and housings. The OSE average rose by a sharp 262.74 points to 36,233.76, recovering to well above its October 13 level. Volume rose to 83m shares from Wednesday's 61.9m.

Roundup

UNEXPECTED ovarnight strength on Wall Street, follow-ing the California earthquake, took Asia Pacific markets

higher yesterday.

AUSTRALIA took heart and the All Ordinaries index rose 26.7, or 1.6 per cent, to 1,655.9, retracing most of Wednesday's 33.7-point fall.

The December share price index futures contract gave the share market an early upward lead, jumping to an intraday high of 1,650 before closing at 1,648, up 47 on the day. Turnover fell to 101m shares valued at 1,521 m and 1,550 m

at A\$211m from 145m and A\$354m previously.
Blue chips were the biggest beneficiaries yesterday, while speculative stocks also had another airing as Bell Group jumped 11 cents to 38 cents. Late on Wednesday, the embattled Bond Corp, which already owns about 70 per cent of Bell. owns about 70 per cent of Bell, offered to buy a 19.9 per cent stake in Bell from the State

Government Insurance Commission of Western Australia. Bond, which had rejected suggestions that it had a negative net worth, offered a cool A\$3.18 a share for Bell, with 30 cents payable on January 4 and the balance to be paid out over 10 years etarting from January 1992. It said that it would extend the offer to all other shareholders if the insur-ance commission accepted.

NEW ZRALAND gained 1 per cent, the Barclays index rising 21.87 to 2,159.71 while the December Barclays futures contract rose 60 to 2,175. Trade was thin, with volume totalling a mere 5.9m shares and NZ\$12.5m, down from 15.7m and NZ\$30.6m. Brierley Investments topped turnover on vol-une of 19m shares, with the stock gaining 4 cents to

NZ\$2.14.

HONG KONG put on 1.3 per cent, with the Hang Seng index 34.82 higher at 2,663.37, although turnover continued to fall, resching HK\$750m against HK\$1.1bn in the previous session and about HK\$2bn on Monday and Tuesday. SINGAPORE saw short cov-

ering and bargain-hunting and the Straits Times industrial index rose 26.90, or 2 per cent, to 1,337.12. City Development recovered another 12 cents to S\$3.78 after the turnoil on Wednesday, when two direc-tors of the company were charged with criminal offences.

October, 1989

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FT-ACTUARIES WORLD INDICES

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REGIONAL MARKETS Figures in parentheses show number of stocks per grouping	THURSDAY OCTOBER 19 1989						WEDNESDAY OCTOBER 19 1989			DOLLAR INDEX		
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Gurrency Index	1989 High	1989 Low	Year ago (approx
Australia (85)	148.75	+2.4	138.36	127.23	+ 1.5	5.19	145.21	135.53	125.37	160.41	128.28	149.70
Austrie (19)	163,64	-0.6	152.21	157.30	-0.8	1.55	164.59	153.62	158.55	172.22	92.84	94.35
Belgium (63)	141.94	+ 1.0	132.02	136.69	+ 1.0	4.05	140.56	131.19	135.36	144.49	125.58	127.23
Caneda (122)	151.30	+0.9	140.72	128.62	+0.9	3.19	149.88	139.88	127.41	154,17	124.67	125.42
Denmark (36)	205.34	+2.8	190.98	201.01	+2.5	1.58	199.75	186.43	198.15	219.89	165.35	141.37
Finland (26)	124.97	-0.1	116.24	111.31	-0.3	2.54	125.09	116.75	111.68	159.16	123.12	121.69
France (126)	135,73	+24	126.24	133.87	+22	2.81	132.60	123.76	130.94	139.94	112.57	103.89
Wesi Germany (97)	98.18	+ 1.5	91.30	94.51	+1.4	2.17	96.74	90.29	93.22	103.84	79.56	84.40
Hong Kong (48)	112.26	+12	104.41	112.54	+1.2	5.02	110.89	103.50	111.18	140.33	86.41	105.76
reland (17)	162.70	+0.5	151.32	159.31	+0.5			150.51	157.96	166.69	125.00	141.65
taly (97)	88.71	+0.5				2.78	161.26					
Japan (455)	185.61		82.51	90.37	+ 0.4	2.53	88.29	82.41	90.01	96.73	74.97	83.82
Molevela (28)	198.88	+0.7	172.64	166.54	+0.9	0.48	164.29	172.01	165.01	200.11	184.22	168.45
Malaysia (36) Mexico (13)		+29	184.77	205.61	+2.7	2.58	193.12	180.25	200.37	209.22	143.35	135.93
Mothodand (42)	308.11	+0.3	286.57	880.23	+0.3	0.59	307.30	286.82	877.94	326.51	153.32	156.45
Netherland (43)	129.57	÷ 1.8	120.52	123.66	+1.7	4.29	127.33	118.84	121.61	131.72	110.63	108.31
New Zealand (19)	78.90	+1.5	73.38	70.55	+0.6	5.00	77.72	72.54	89.97	88.18	62.64	72.24
Norway (24)	177.68	+ 3.0	165.26	166,47	+27	1.56	172.56	161.06	162.08	198.39	139.92	118.21
Singapore (26)	159.56	+2.2	148.41	143.76	+2.2	2.06	156.06	145.86	140,67	170.62	124.57	120.20
South Africa (60)	145.82	+ 1.7	135.63	124.76	+1.6	4.57	143.43	133.87	122.53	160.24	115.35	110.71
Spain (43)	159.96	+ 1.2	148.76	142.87	+1.0	3.66	157.99	147.46	141.47	169.75	143.14	147.53
Sweden (35)	180.65	+2.2	168.02	171.78	+2.0	2.00	176.68	164.90	168.37	188,94	138.45	128.16
Switzerland (64)	89.44	+3.2	83.19	90.03	+3.0	2.10	88.68	80.90	87.38	94.16	67.61	82.45
Julted Kingdom (306)	142.64	+1.3	132.67	132.67	+ 1.0	4.58	140.77	131.39	131.39	158.41	133.28	137.45
JSA (547)	141.02	+ 1.6	131.16	141.02	+1.6	3.28	138.84	129.59	138.84	146,29	112.13	115.30
urope (996)	125.92	+1,6	117.12	119.65	+1.3	3.51	123.99	115.73	116.07	132.85	112.63	112.69
lordic (121)	168.48	+2.4	156.70	155.43	+2.1	1.83	164.57	153.80	152.23	178.38	137.95	121.32
Pacific Basin (669)	161.41	+0.8	168.73	162.91	+ 1.0	0.73	179.99	167.99	161.36	194.72	160.44	165.13
uro — Pacific (1665)	159.31	+ 1.0	148.17	145.58	+1.1	1.62	167.68	147.17	144.03	166.98	141.58	144.19
	141.53	+ 1.5	161.64	140.25	+ 1.5	3.27	139.40	130.11	138.14	146.66	112.79	115.83
urope Ex. UK (690)	114.69	+1.7	106.67	111.51	+1.6	2.77	112.76	105.24	109.77	118.51	96.30	97.21
acific Ex. Japen (214)	130.98	+2.0	121.83	117.67	+1.5	4.81	128.36	119.81	115.96	140.05	111.93	125.15
Vorld Ex. US (1860)	158.99	+ 1.0	147.83	145.05	+1.1	1.70	157.38	148.67	143.50	166.35	141.49	143.22
Vorld Ex. UK (2101)	152.40	+1.2	141.74	144.71	+ 1.3	1.99	150.59					131.89
Vorid Ex. So. Al. (2347)	151.54	+12						140.56	142.91	156.04	138.98	
Vorid Ex. Japan (1952)	135.43	+1.6	140.95 125.98	143.70 131.83	+ 1.2 + 1.5	2.20 3.43	149.74 133.35	139.75 124.46	141.95 130.04	155.92 140.43	136.67 114.51	132.50 115.10
he World Index (2407)	151.50	+1.2	140.91	143.57	+1.2	2.21	149.70	139.72	141.82	155.89	136.88	132.37